

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document comprises a circular to Ordinary Shareholders and an AIM admission document prepared in accordance with the AIM Rules for Companies. It does not constitute a prospectus for the purposes of the Prospectus Rules and has not been filed with or approved by the FSA. No offer of securities to the public (for the purposes of section 102B of the Financial Services and Markets Act 2000) is being made in connection with Admission.

The Ordinary Shares are admitted to trading on AIM. In connection with the Proposals, application will be made for the Preference Shares and Warrants to be issued pursuant to the Placing to each be admitted to trading on 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 of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document.**

It is expected that Admission will become effective and dealings in the Preference Shares and the Warrants will commence on AIM on 25 March 2009. Although the whole text of this document should be read, the attention of persons receiving this document is drawn to the section headed "Risk Factors" contained in Part 5 of this document. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part 5 of this document.

Raven Russia Limited

(a company incorporated in Guernsey under the Companies (Guernsey) Law 1994 to 1996, as amended with registered no. 43371)

Proposed Placing to raise up to £125 million by issuing up to 125 million Units each at £1.00 and comprising 1 Preference Share and 1 Warrant

Possible Offer for Raven Mount Group plc

Changes to the Raven Russia 2008 Unapproved Employee Share Option Scheme

Changes to the Articles of Association

Admission of the Preference Shares and Warrants to trading on AIM

Notice of Extraordinary General Meeting

Nominated Adviser;

Financial Adviser; Book Runner

and Joint Broker to the Company

Numis Securities Limited

Joint Broker to the Company

Singer Capital Markets Limited

SHARE CAPITAL OF THE COMPANY ON ADMISSION

(assuming the Placing is fully subscribed)

Amount	Authorised			Issued and Fully Paid	
	Amount	Number		Amount	Number
£15,000,000		1,500,000,000	Ordinary Shares	£5,125,529	512,552,915
£4,000,000		400,000,000	Preference Shares	£1,250,000	125,000,000
-		275,000,000	Warrants	-	125,000,000

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority for the conduct of investment business, is acting exclusively for the Company and no one else in connection with the Proposals, and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited, or for providing advice in relation to the Proposals or any other matter referred to in this document. No representation or warranty, express or implied, is made by Numis Securities Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Singer Capital Markets Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority for the conduct of investment business, is acting exclusively for the Company and no one else in connection with the Proposals, and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Singer Capital Markets Limited, or for providing advice in relation to the Proposals or any other matter referred to in this document. No representation or warranty, express or implied, is made by Singer Capital Markets Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take responsibility for the financial soundness of the Company or the correctness of any of the statements made or opinions expressed with regard to it.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Units in any jurisdiction in which such an offer or solicitation is unlawful and this document is not for distribution in or into the Prohibited Territories. The Preference Shares and Warrants have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the United States Investment Company Act 1940 (as amended) or under the applicable securities laws of the other Prohibited Territories and, unless an exemption under such acts or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within the Prohibited Territories for the account or benefit of any national, resident or citizen of the Prohibited Territories. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

A notice convening an Extraordinary General Meeting of Raven Russia Limited, to be held at the Company's registered office, Regency Court, Glatigny Esplanade, St. Peter Port, Guernsey GY1 3ST at 10.00 a.m. on 24 March 2009, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the meeting should be completed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to reach the Company's transfer agents, Capita Registrars, The Registry, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 10.00 a.m. on 22 March 2009. Completion and return of a Form of Proxy will not preclude Ordinary Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

Copies of this document are available for collection, free of charge, from Admission and for one month thereafter during normal business hours from the registered office of the Company.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard Wilson Jewson, <i>Non-Executive Chairman</i> Anton John Godfrey Bilton, <i>Executive Deputy Chairman</i> Glyn Vincent Hirsch, <i>Chief Executive Officer</i> Colin Andrew Smith, <i>Chief Operating Officer</i> Stephen Charles Coe, <i>Non-Executive Director</i> David Christopher Moore, <i>Non-Executive Director</i> Christopher Wade Sherwell, <i>Non-Executive Director</i>
Proposed Director	Mark Sinclair, <i>Chief Financial Officer</i> <i>Further information on the Directors and the Proposed Director is contained in paragraph 3 of Part 2 of this document</i>
Company Secretary	Barclays Wealth Fund Managers (Guernsey) Limited
Registered Office	P.O. Box 671 Regency Court Gategny Esplanade St. Peter Port Guernsey GY1 3ST Channel Islands
Website address	www.ravenrussia.com
Nominated Adviser, Financial Adviser, Book Runner and Joint Broker	Numis Securities Limited 10 Paternoster Square London EC4M 7LT United Kingdom
Joint Broker	Singer Capital Markets Limited One Hanover Street London W1S 1AX United Kingdom
UK Solicitors to the Company	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA United Kingdom
Guernsey Advocates to the Company	Ozannes Advocates 1 Le Marchant Street St Peter Port Guernsey GY1 4HP Channel Islands
Solicitors to the Placing	Travers Smith LLP 10 Snow Hill London EC1A 2AL United Kingdom

**Reporting Accountants
and Auditors**

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

Registrars

Capita Registrars (Guernsey) Limited
Longue Hougue House
St. Sampson
Guernsey GY2 4JN
Channel Islands

DEFINITIONS

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

“2.4 Announcement”	the announcement issued by the Company and Raven Mount on 17 February 2009 in relation to the Possible Offer
“Act”	the Companies Act 1985 (as amended)
“2006 Act”	the Companies Act 2006 (as amended)
“Admission”	the admission to trading on AIM of the Preference Shares and Warrants to be issued pursuant to the Placing becoming effective in accordance with the AIM Rules for Companies
“AIM”	the market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
“certificated” or “in certificated form”	in certificated form (that is, not in CREST)
“Changes to the Share Option Plan”	the proposed changes to the Share Option Plan, as set out in paragraph 6 of Part 1 this document
“CIS”	Commonwealth of Independent States
“City Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the United Kingdom and, from time to time, any successor or replacement body thereof
“Combined Code”	the revised code on the principles of good corporate governance and best practice published in June 2006 by the Financial Reporting Council
“Company” or “Raven Russia”	Raven Russia Limited
“Companies Acts”	the company law provisions of the 2006 Act, the Act, Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004, the Companies Consolidation (Consequential Provisions) Act 1985 and the Companies Act 1989 that remain in place
“CREST”	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“Directors” or “Board”	the directors of the Company as at the date of this document, whose names are set out on page 3 of this document
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at the Company’s registered office, Regency Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 3ST at 10.00 a.m. on 24 March 2009 at which the Resolutions will be put to the Ordinary Shareholders, notice of which is set out in the EGM Notice

“EGM Notice”	the notice convening the EGM which is set out at the end of this document
“Enlarged Group”	the Raven Russia Group as enlarged following consummation of the Possible Offer
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST
“Existing Articles”	means the Company’s articles of association as at the date of this document
“Existing Issued Ordinary Shares”	the 512,552,915 Ordinary Shares in issue at the date of this document and admitted to trading on AIM
“Fixed Amount”	£1.00
“Form of Proxy”	the enclosed form of proxy to be used by Ordinary Shareholders in connection with the EGM
“Framework Agreement”	the agreement dated 9 July 2008 (as amended on 4 September 2008) between the Company, Raven Mount, Raven Mount Holdings plc (now in members’ voluntary liquidation), Russian Property Management Limited and Raven Mount Admission Limited (now Raven Mount Group plc) for the sale and purchase of the entire issued share capital of RRPA and the disposal of RRPM to the Company
“FSA”	Financial Services Authority of the United Kingdom
“FSMA”	Financial Services and Markets Act 2000, as amended
“Group”	the Company and its subsidiary undertakings from time to time and “member of the Group” shall be construed accordingly
“IFRS”	International Financial Reporting Standards (including International Accounting Standards)
“Internalisation”	the acquisition by the Company of the entire issued share capital of RRPM and RRPA pursuant to the Framework Agreement which completed on 26 November 2008
“Invesco”	Invesco Asset Management Limited
“IPO”	the admission of the Company’s Ordinary Shares to trading on AIM which became effective on 29 July 2005
“Law”	the Companies (Guernsey) Law, 2008 as amended
“London Stock Exchange”	London Stock Exchange plc
“Numis”	Numis Securities Limited
“Offer Document”	the document to be sent to Raven Mount Shareholders if the Possible Offer proceeds
“Official List”	the official list of the UKLA
“Order”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended

“Ordinary Shareholder”	means a holder of Ordinary Shares
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Placees”	the persons procured by Numis and Singer to subscribe for Units pursuant to the Placing
“Placing”	the conditional placing by Numis and Singer, on behalf of the Company, of up to 125 million Units at the Placing Price pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the agreement dated 17 February 2009 between the Company, Numis and Singer relating to the Placing, details of which are set out in paragraph 9 of Part 7 of this document
“Placing Price”	£1.00 per Unit
“£” and “p”	respectively pounds and pence sterling, the lawful currency of the United Kingdom
“Possible Offer”	the possible offer by the Company for the entire issued and to be issued share capital of Raven Mount (other than any Raven Mount Shares already held by the Company)
“Preference Dividend”	the cumulative preferential dividend accruing on each Preference Share as set out in more detail in Section A of Part 6 of this document
“Preference Shares”	the cumulative redeemable preference shares of £0.01 each in the capital of the Company
“Prohibited Territories”	USA, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and their respective territories and possessions
“Property Advisory Agreement”	a property advisory agreement between (1) the Company and (2) RRPM dated 25 July 2005, as varied by the variation agreement between (1) the Company (2) Raven Mount and (3) RRPM dated 6 April 2006
“Proposals”	the proposals referred to in paragraph 1 of Part 1 of this document
“Prospectus Directive”	the Prospectus Directive of the European Parliament and Council (2003/71/EC)
“Prospectus Rules”	the Prospectus Rules published by the FSA
“Raven Mount”	Raven Mount Group plc
“Raven Mount Admission”	means the admission of the Raven Mount Shares to trading on AIM which became effective on 4 November 2008
“Raven Mount Group”	means Raven Mount and its subsidiaries and subsidiary undertakings
“Raven Mount Shareholders”	holders of Raven Mount Shares
“Raven Mount Shares”	means the ordinary shares of £0.001 each in the capital of Raven Mount

“Regulatory Information Service”	Regulatory Information Service operated by the London Stock Exchange
“Revised Articles”	the new articles of incorporation of the Company to be adopted at the EGM, a summary of which is set out in paragraph 4 of Part 7 of this document
“Resolutions”	the resolutions to be proposed at the EGM and set out in the EGM Notice
“Rouble”	the lawful currency of the Russian Federation
“RRPA”	Raven Russia Property Advisors Limited
“RRPM”	Raven Russia Property Management Limited
“Share Option Plan”	the Raven Russia 2008 Unapproved Employee Share Option Plan
“Shares”	Ordinary Shares and Preference Shares
“Singer”	Singer Capital Markets Limited
“Statutes”	the Law and every other statute, statutory instrument, regulation or order for the time being in force concerning companies whether registered under the Law or not
“subsidiary”	as defined in section 1159 of the 2006 Act
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	recorded in the register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Units”	the units, each consisting of one Preference Share and one Warrant
“US”, “USA” or “United States”	the United States of America, its territories and possessions, any state of the US and the District of Columbia and all other areas subject to its jurisdiction
“US dollar” or “\$”	US dollars, the lawful currency of the United States
“VAT”	value added tax
“Warehouse(s)”	the entire spectrum of both newly-built and existing warehouse buildings, including, but not limited to, high bay logistics buildings, cold storage, industrial and manufacturing factories, light assembly, storage depots, retail warehouses, leisure boxes, multiplexes, supermarkets, exhibition centres, refineries and multi-storey warehouse buildings, any of which may have an office content
“Warrant”	a warrant to subscribe for 1 Ordinary Share in the Company at 25 pence per Ordinary Share and “Warrants” shall be construed accordingly
“Warrantholder”	a holder of a Warrant
“Warrant Instrument”	the warrant instrument to be adopted by the Company constituting the Warrants

INFORMATION INCORPORATED BY REFERENCE

Copies of the interim results of the Company for the period ended 30 June 2008 and the annual report and financial statements of the Company for the years ended 31 December 2007 and 31 December 2006 are available in the investors section of the Company's website at *www.ravenrussia.com*

PLACING STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS

PLACING STATISTICS

Placing Price	£1.00
Number of Units being placed on behalf of the Company	up to 125,000,000
Number of Preference Shares in issue immediately following Admission*	up to 125,000,000
Number of Warrants in issue immediately following Admission*	up to 125,000,000
Proceeds of the Placing receivable by the Company before expenses*	£125 million
Proceeds of the Placing receivable by the Company after expenses*#	£123.25 million

* Assuming the Placing is fully subscribed.

Assuming blended commission rate of 2 per cent. on commissions payable pursuant to the Placing.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	25 February 2009
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 22 March 2009
EGM	10.00 a.m. on 24 March 2009
Admission effective and dealings in the Preference Shares and Warrants expected to commence on AIM	25 March 2009
CREST accounts credited with Preference Shares and Warrants (as applicable)	by 25 March 2009
Definitive share certificates and Warrant certificates in respect of the Preference Shares and the Warrants expected to be dispatched, (as applicable)	by 30 March 2009

PART 1

LETTER FROM THE CHAIRMAN OF RAVEN RUSSIA

Raven Russia Limited

*(a company incorporated in Guernsey under the Companies (Guernsey) Law 1994 to 1996,
as amended with registered no. 43371)*

Directors:

Richard Wilson Jewson, *Non-Executive Chairman*
Glyn Vincent Hirsch, *Chief Executive Officer*
Anton John Godfrey Bilton, *Executive Deputy Chairman*
Colin Andrew Smith, *Chief Operating Officer*
Stephen Charles Coe, *Non-Executive Director*
David Christopher Moore, *Non-Executive Director*
Christopher Wade Sherwell, *Non-Executive Director*

Registered office:

P.O. Box 671
Regency Court
Glategny Esplanade
St. Peter Port
Guernsey GY1 3ST
Channel Islands

25 February 2009

To Ordinary Shareholders and, for information only, to the existing optionholders and existing warrantholders

Dear Ordinary Shareholder,

**Proposed Placing to raise up to £125 million by issuing up to 125 million Units,
Possible Offer for Raven Mount Group plc,
Changes to the Share Option Plan, Changes to the Existing Articles,
Admission of the Preference Shares and the Warrants to AIM and
Notice of Extraordinary General Meeting**

1. Introduction

On 17 February 2009, your Board announced that it proposes to raise £75 million through the issue of 75 million Units to Invesco at a price of £1.00 per Unit. Each Unit comprises 1 Preference Share and 1 Warrant.

Raven Russia has retained Numis, as financial adviser, book runner and joint broker and Singer, as joint broker, to assess demand for additional Units and in the event there is excess demand, the Company will issue up to 50 million additional Units at the Placing Price. Consequently, the maximum amount that could be raised pursuant to the Placing is £125 million.

The Preference Shares and Warrants to be issued pursuant to the Placing will each be admitted to trading on AIM as separate classes of securities and will be separately tradeable.

At the same time, your Board also announced that, subject to satisfaction or waiver of certain pre-conditions, the Board had reached agreement on the terms of a Possible Offer by Raven Russia for the entire issued and to be issued share capital of Raven Mount.

In connection with the Placing and the Possible Offer, the Company also proposes making certain changes to the Share Option Plan, the terms of which were previously approved by Ordinary Shareholders at an extraordinary general meeting of the Company held on 28 August 2008.

The resolutions required to implement the Placing, the Possible Offer and the Changes to the Share Option Plan will be put to Ordinary Shareholders at the Extraordinary General Meeting, to be held on 24 March 2009. Further details of the resolutions to be proposed at the EGM are set out in the EGM Notice at the end of this document.

The Proposals comprise:

- the proposed Placing of up to 125 million Units each comprising 1 Preference Share and 1 Warrant at an issue price of £1 per Unit, with £75 million already placed with Invesco and the potential to raise a further £50 million through the issue of additional Units, in the event of excess demand;
- the Possible Offer for Raven Mount to be satisfied by the issue of Preference Shares and Warrants;
- the Changes to the Share Option Plan;
- changes to the Existing Articles to provide for, *inter alia*, the creation of the Preference Shares; and
- the admission of the Preference Shares and the Warrants to trading on AIM.

The purpose of this document is to explain the background to and reasons for the Proposals and to recommend that you vote in favour of the Resolutions to be proposed at an Extraordinary General Meeting of the Company which has been convened for 10.00 a.m. on 24 March 2009, notice of which is set out at the end of this document.

2. Current Trading and Reasons for the Placing and Possible Offer for Raven Mount

The Group is in a stable position with a portfolio of high quality Warehouse and office buildings and continues to trade in line with the Directors' expectations. Construction of new Warehouses continues to be completed broadly on time and on budget and the letting programme for these is progressing satisfactorily. In the last quarter of 2008, the Group signed leases with an aggregate annualised net operating income of \$4.4 million. In January 2009, the Group signed preliminary lease agreements for \$5.6 million of annualised net operating income and a letter of intent for \$1.5 million of annualised net operating income.

The current annualised net operating income of the Group is \$51.9 million (0.39 million m² of leased space) and the Group has signed preliminary lease agreements and letters of intent which will convert into signed leases of \$24.9 million of annualised net operating income (0.19 million m² of space), representing in total \$76.8 million of annualised net operating income (0.58 million m² of leased space). As construction finishes, the Group will have a further 0.48 million m² available to let (taking the total space to 1.06 million m²) and this could increase the annualised net operating income from these properties to \$140 million.

The turmoil in the world's financial markets has hampered the Group's ability to raise further bank debt and will have an effect on the valuation of the Group's completed investment property assets. Since 30 June 2008, the Group anticipates the value of the completed assets will have fallen in the period to 31 December 2008 by approximately 20 per cent. reflecting an initial yield shift from 10 per cent. to 12 per cent. across the portfolio, which will result in the Group incurring a loss on revaluation of investment properties of approximately \$90 million. Full details will be published with the announcement of preliminary results for the year ended 31 December 2008 which are expected to be published towards the end of March 2009. Despite the deterioration in global economic confidence, the Group has obtained credit committee approval from the European Bank for Reconstruction and Development for the Megalogix joint venture for a new facility of \$40 million.

This background leads the Board to take a cautious approach by raising additional capital. The net proceeds of the Placing and the Possible Offer will put the Group in a strong financial position. It will provide additional working capital should the letting market deteriorate or properties stand vacant longer than anticipated. It will also provide the Group with the resources to take advantage of opportunities in a distressed market. These opportunities could involve the purchase of property or the Company's own shares and/or commencing construction on the additional phases of Warehouses on land the Group already owns.

3. Dividend policy

In the light of the global financial crisis and Raven Russia's continued focus on cash conservation the Board has decided to adopt a revised policy in relation to ordinary dividends. The Board currently aims to pay a 2009 dividend of 1p per share (subject to financial conditions permitting) and no final dividend will be paid for 2008. Once financial conditions improve and the Group's portfolio matures, the Board intends to adopt a progressive dividend policy going forward.

4. Description of the Placing

Details of the Placing

The Company proposes to raise £75 million through the issue of 75 million Units to Invesco at a price of £1.00 per Unit. Each Unit comprises 1 Preference Share and 1 Warrant.

Raven Russia has retained Numis, as financial adviser, book runner and joint broker and Singer, as joint broker, to assess demand for additional Units and in the event there is excess demand, the Company will issue up to 50 million additional Units at the Placing Price. Consequently, the maximum amount that could be raised pursuant to the Placing is £125 million.

The Preference Shares and Warrants to be issued pursuant to the Placing will each be admitted to trading on AIM as separate classes of securities and will be separately tradeable.

Members of the public are not eligible to take part in the Placing which is only being directed at (i) in the United Kingdom, "qualified investors" (as defined in section 86 FSMA) who are persons of a kind described in Articles 19, 43 or 49 of the Order, (ii) subject to the satisfaction of the relevant legal and regulatory requirements, directors and employees of the Group or (iii) persons who may otherwise lawfully participate. No other person may participate in the Placing or rely on any communication relating to it.

The Preference Shares and Warrants to be issued pursuant to the Placing will each be admitted to trading on AIM as separate classes of securities. Application will be made for the Preference Shares and the Warrants each to be admitted to trading on AIM in due course. It is expected that Admission will occur on around 25 March 2009.

The Placing is conditional, *inter alia*, on:

- the passing of the Resolutions at the EGM, details of which are set out below;
- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by no later than 8.00 a.m. on 25 March 2009 (or such later time and/or date (being no later than 8.00 a.m. on 8 April 2009) as the Company and Numis may agree).

If any conditions under the Placing Agreement are not fulfilled or (where capable of waiver) waived on or before 8.00 a.m. on 25 March 2009 (or such later time and date (being no later than 8.00 a.m. on 8 April 2009) as the Company and Numis may agree), any monies held by Numis or Singer will be returned to Placees, without interest, as soon as practicable thereafter.

Numis has the right to terminate the obligations of Numis and Singer under the Placing Agreement if the Company is in material breach of its obligations therein, if any of the warranties contained therein are or become untrue, inaccurate or misleading in any material respect or a *force majeure* event or material adverse change in respect of the Group (taken as a whole) occurs prior to Admission.

The Company will make appropriate announcements to a Regulatory Information Service giving the details of the results of the Placing prior to the EGM.

Preference Shares and Warrants

Subject to applicable law cumulative dividends on the Preference Shares will be payable quarterly in arrears at the rate of 12 per cent. of the Fixed Amount (being £1.00) per annum.

On a return of capital on a winding up or pursuant to an administration order, holders of Preference Shares shall be entitled, in priority to other shareholders, to be paid out of the assets of the Company available for distribution to members, of an amount in respect of each Preference Share equal to the aggregate of the Fixed Amount (being £1) together with a sum equal to any arrears and accruals of the Preference Dividend.

Holders of Preference Shares are entitled to attend any general meeting of the Company and to speak and vote at a general meeting of the Company on a resolution proposing to wind up the Company or to abrogate, vary or modify any of the rights or privileges of the holders of Preference Shares. Holders of Preference Shares will also have the right to speak and vote at a general meeting in respect of any matter in circumstances where the dividend payable on the Preference Shares is in arrears.

The Preference Shares benefit from certain protections that are detailed in the summary set out in Section A of Part 6 of this document.

The Preference Shares are only redeemable in the limited circumstances detailed in the summary set out in Section A of Part 6 of this document; namely a takeover offer being completed for the Company and in circumstances where there are less than 35 million Preference Shares in issue and the Company (by notice) removes certain protections attaching to the Preference Shares. In such circumstances, the redemption price of each Preference Share will be an amount equal to the Fixed Amount (being £1) and all arrears and accruals of the Preference Dividend.

Further details of the rights attaching to the Preference Shares can be found in Section A of Part 6 of this document.

The Warrants will be constituted by the Warrant Instrument to be adopted by the Company prior to Admission. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the price of 25 pence during the period commencing on Admission and ending on the tenth anniversary of Admission.

Further details of the Warrants can be found in Section B of Part 6 of this document.

In addition, further information regarding taxation in Guernsey and in the United Kingdom is set out in paragraph 10 of Part 7 of this document. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

5. Possible Offer for Raven Mount

On 17 February 2009, the boards of Raven Russia and Raven Mount announced that, subject to satisfaction or waiver of certain pre-conditions, they had reached agreement on the terms of a possible offer by Raven Russia for the entire issued and to be issued share capital of Raven Mount.

It is intended that, if made, the Possible Offer will be on the following basis:

for each Raven Mount Share held	0.525 Units (each Unit comprising 1 Preference Share and 1 Warrant)
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Based on the issue price of £1.00 for each Unit pursuant to the Placing, the Possible Offer would value each Raven Mount Share at 52.5 pence and the entire issued share capital of Raven Mount at £57 million.

The Possible Offer value (based on the issue price of £1.00 for each Unit pursuant to the Placing) would represent a premium of 156 per cent. to Raven Mount's closing mid price of 20.5 pence as at the close of business on 16 February 2009, the day before the 2.4 Announcement.

Raven Mount's four largest shareholders, comprising Anton Bilton, Bim Sandhu (who are both directors of Raven Mount), Schroder Investment Management and Laxey Partners, who in aggregate have an interest in 74.8 per cent. of Raven Mount's existing issued ordinary share capital, are also all major shareholders in Raven Russia, owning in aggregate 17.8 per cent. of Raven Russia's existing issued ordinary share capital. They are all supportive of the Possible Offer and together Raven Russia has received an irrevocable commitment and letters of intent to accept the Possible Offer in respect of 69.6 million Raven Mount Shares, representing approximately 64.1 per cent. of the existing issued Raven Mount share capital.

In addition, Raven Russia has also received irrevocable commitments and a letter of intent from Raven Russia directors and shareholders, representing approximately 41.7 per cent. of the existing issued Raven Russia share capital, to vote in favour of the Resolutions proposed at the EGM, including the resolutions required to issue the Units.

Raven Russia has based its offer value on the unaudited net assets of Raven Mount as at 31 December 2008 as adjusted by an up-to-date valuation of Raven Mount's major property assets which has been carried out by an independent valuer on behalf of Raven Russia. The Offer Document would include a combined valuation report on behalf of Raven Russia on Raven Mount's major property assets as required by Rule 29 of the City Code.

In connection with the Possible Offer and subject to the Possible Offer becoming or being declared unconditional in all respects (i) Raven Mount executives have agreed to surrender their existing options over 5,590,000 Raven Mount Shares (with an exercise price of 30 pence) in return for nil cost options over 1,257,750 Units. These Units represent the "in the money" value of the existing Raven Mount options in the context of the Possible Offer; and (ii) the £8.1 million bonus accrual in Raven Mount's 2008 year end balance sheet in respect of Raven Mount bonuses payable for the year ended 31 December 2008 will be discharged by the Company by the issue of 8.1 million Units to the trustee of the existing Raven Mount Employee Benefit Trust.

As at 31 December 2008, Raven Mount, excluding debt in joint ventures, had cash on its balance sheet of £37.5 million, and debt of £15.1⁽¹⁾ million, and owned approximately 29 million Raven Russia Ordinary Shares as well as a number of residential properties based in the UK, development projects and a strategic land bank of owned and optioned sites. This cash, which, following repayment of all debt excluding debt in joint ventures⁽²⁾, amounted to approximately £20.8 million on 16 February 2009, the day before the 2.4 Announcement, together with the net proceeds from the Placing, will put the Group in a strong financial position. It will provide additional working capital should the letting market deteriorate or properties stand vacant longer than anticipated. It will also provide the Enlarged Group with further resources to take advantage of opportunities in a distressed market.

The 29 million Ordinary Shares held by Raven Mount could be cancelled, which would be enhancing to the NAV per Ordinary Share of Raven Russia, thereby benefiting Ordinary Shareholders, or they could also be used by Raven Russia to satisfy awards under its employee incentive plans.

(1) This excludes debt in joint ventures amounting to £7.0 million at 31 December 2008, of which £2.25 million is guaranteed by Raven Mount.

(2) Joint venture debt was £7.5 million at 16 February 2009, of which £2.25 million is guaranteed by Raven Mount.

In addition, the Possible Offer for Raven Mount would mean that the interests of Raven Russia's management would be further aligned with its shareholders, as Anton Bilton, currently Executive Deputy Chairman of Raven Russia and Executive Chairman of Raven Mount, and Glyn Hirsch, currently Chief Executive Officer of Raven Russia and a director of Raven Mount, would both devote all of their time to Raven Russia.

Further details in respect of the Raven Mount Group are set out in Part 3 of this document.

The announcement dated 17 February 2009 did not constitute an announcement of a firm intention to make an offer under Rule 2.5 of the City Code. There can be no certainty that an offer for Raven Mount will be forthcoming and no certainty as to whether any offer will be made on the terms described in this paragraph, even if the pre-conditions set out in the 2.4 Announcement are satisfied or waived. A further announcement will be made in due course as appropriate.

6. Changes to the Share Option Plan

At an extraordinary general meeting of the Company on 28 August 2008, the Ordinary Shareholders approved the creation of two share incentive schemes to provide equity incentives to its employees. These were intended to replace the previous scheme, which had been put in place when the Company was externally managed on property matters.

The first scheme that was approved at the August 2008 extraordinary general meeting was the employee retention scheme and related to 5 million Ordinary Shares. On 31 December 2008 and 8 January 2009, the Company purchased, in aggregate, 5 million Ordinary Shares (through its subsidiary, Raven Russia (Guernsey) 2 Limited) in the market. In due course, these shares will be placed into a Raven Russia employee benefit trust and used to satisfy awards under the employee retention scheme.

The second scheme approved at the August 2008 extraordinary general meeting of the Company was the Share Option Plan relating to a "share option pool" over 18.5 million Ordinary Shares. No awards have been made to date under this plan. In light of market conditions and the recent share price performance of the Company, the Board considers it appropriate to amend certain aspects of the Share Option Plan, as follows:

- reducing the "share option pool" from 18.5 million options over Ordinary Shares to 10 million options over Ordinary Shares. Awards under the plan will be capable of being satisfied by using existing Ordinary Shares or issuing new Ordinary Shares;
- introducing new performance criteria for the vesting of options awarded under the Share Option Plan linked to both total shareholder return together with increases in the Retail Prices Index;
- setting a base price for calculating total shareholder return under the Share Option Plan to be equal to the exercise price of the Warrants (i.e. 25 pence); and
- vesting the 10 million "share option pool" in three equal tranches over a three year period from the third, fourth and fifth anniversaries of Admission, subject to certain exceptions.

Resolution 2, set out in the EGM Notice, will be put to Ordinary Shareholders at the EGM to approve such amendments and to authorise the Board (or a committee thereof) to make further changes to the Share Option Plan and its implementation.

7. Changes to the Existing Articles

It is proposed to amend the Existing Articles in order to incorporate the rights attaching to the Preference Shares as detailed in Section A of Part 6 of this document. Further changes will also be made, including those deemed appropriate to allow the Company to benefit from recent developments in Guernsey company law and certain changes addressing some duplication and administrative issues in the Existing Articles. A summary of the key provisions of the Revised

Articles is set out in paragraph 4 of Part 7 of this document. In addition, a summary of the material changes to the Existing Articles is also set out in paragraph 4.16 of Part 7 of this document,

8. Financing of the Group

In accordance with the Group's strategy, to date the Group has financed the acquisition and construction of its Warehouse portfolio through a combination of equity and debt finance, the latter in the form of both construction and investment loans, secured on each of the Group's properties on a non-recourse basis to the Company.

All facilities, except for the construction facilities at Noginsk Phase 1 of \$65 million (the "Noginsk Facility") and at Rostov on Don of \$60 million (the "Rostov on Don Facility"), are on a long term basis and are not repayable until dates ranging from 2012 to 2017. The Noginsk Facility falls due for repayment in October 2009 when the construction of the property is completed. At that time, the Company intends to convert the construction loan into an investment loan. The Group is currently assisting Anfirimo Holdings Limited (a subsidiary of a company external to the Group) in advanced discussions with HSH Nordbank in relation to the terms of this investment loan and has no reason to believe that such terms will not be agreed. The Rostov on Don Facility is to be repaid in two tranches of \$20 million in September 2009 and \$40 million in September 2010.

The non-recourse nature of each of the Group's banking facilities (save for the ancillary arrangements described in paragraph 11 of Part 7 of this document⁽¹⁾), being secured on individual property assets, protects the remainder of the Group from default on any one facility. In the event of a default, the Group would seek to renegotiate the relevant facility with the banking partners. The Directors believe that such re-negotiations would be successful. However, if this were not the case, ultimately the facilities such as the Noginsk Facility, permit ownership of the underlying asset to be transferred to the relevant bank in full satisfaction of the outstanding debt.

The Group is in ongoing discussions with a number of other banks in relation to securing new financing facilities. In particular, the credit committee of the European Bank for Reconstruction and Development has approved a \$40 million facility on Novosibirsk which is now progressing to documentation stage. A second bank, which has an existing facility in relation to Phase 1 and 2 at Istra, has an option to enter into investment finance for Phase 3 and 4 at Istra once construction is completed.

Although the Group has continued to progress and sign new facilities and draw down on existing facilities, the recent contraction of the global credit markets has hampered the Group's ability to raise further bank debt.

As mentioned above, the objective of the Placing and Possible Offer is to secure the Company's position during the letting phase of its portfolio development. Once appropriate letting levels have been achieved, this will allow the Company to pursue further property investment or shareholder value enhancing opportunities. The intention is to raise up to £125 million by the issue of Preference Shares and Warrants, of which £75 million has already been placed with the Company's largest shareholder, Invesco as detailed above. The acquisition of Raven Mount, were it to proceed, would provide the Group with additional cash resources which should increase over time as the Raven Mount property portfolio is sold down.

The Group is currently in compliance with all of the banking covenants under its financing facilities and expects to continue to be so following receipt of its updated property valuations, details of which will be incorporated into its preliminary results for the year ended 31 December 2008. In the current uncertain economic environment, if yields continue to shift outwards and therefore values continue to deteriorate, then the terms of the Group's banking facilities allow for any future

(1) The arrangements are those in respect of the rezoning guarantee and indemnities referred to at the end of paragraph 11.7, the guarantee given to IFC referred to at the end of paragraph 11.13.3 and the completion guarantee and cost overrun undertaking referred to in paragraph 11.14.2, in each case of Part 7 of this document.

loan to value covenant breaches to be remedied through prepayment of part of the relevant facility. The Directors believe it is unlikely that property values will fall such that the funds available to the Group will not be sufficient to remedy a further deterioration in property valuations.

9. Russian property market overview

The Russian Warehouse sector remains an attractive asset class, offering investors high income returns and the potential for capital growth. Compared to other European countries, Russia still has a deficit of supply on a per capita basis. This and the difficulty in securing and developing large scale land plots in and around the major Russian cities is likely to limit supply in the future. Very little new development is planned to start this year improving the prospects for a stable market from the end of 2009 into 2010.

Tenants have continued to commit to new leases in the Group's portfolio over the past three months and discussions are ongoing on all of the current developments with potential occupiers, although at a lower level than previously. However, the lack of capital available to potential occupiers has created a new type of demand from those who previously wished to construct their own facilities but are now seeking to rent.

Rental rates have decreased by approximately 10 per cent. in Moscow in the last six months, reflecting increased competition for tenants and the Rouble devaluation against the US dollar (in which rents are denominated). The Directors believe that there have been virtually no sales of completed Warehouses in Russia in the last six months, and the Directors anticipate that the valuation of Raven Russia's portfolio will be marked down by approximately 20 per cent. to reflect the change in the market.

10. Admission, settlement and dealings

Application will be made to the London Stock Exchange for the Preference Shares and Warrants to each be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Preference Shares and Warrants will commence on 25 March 2009. Definitive certificates in respect of the Preference Shares and Warrants will be despatched on or before 30 March 2009.

The Existing Articles permit (and the Revised Articles will permit) the Company to issue Shares and the Warrants in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

The ISIN number for the Preference Shares is GG00BK55K7B92 and for the Warrants is GG00B55K7758.

11. Related Party Transaction

Because Invesco is a substantial Ordinary Shareholder in the Company, under the AIM Rules Invesco's participation in the Placing will comprise a related party transaction. The Directors consider, having consulted with Numis, its nominated adviser for the purposes of the AIM Rules, that Invesco's participation in the Placing is fair and reasonable insofar as the Ordinary Shareholders are concerned.

In addition, the Possible Offer, assuming it proceeds on the terms currently contemplated, would comprise a related party transaction under the AIM Rules for Companies as a consequence of Anton Bilton also being a substantial shareholder in Raven Mount. With the exception of Anton Bilton and Glyn Hirsch (for the reasons set out below), the Directors consider, having consulted with Numis, its nominated adviser, that the terms of the Possible Offer if made on the terms currently contemplated, would be fair and reasonable insofar as the Ordinary Shareholders are

concerned. Neither Anton Bilton or Glyn Hirsch have taken part in the Board's deliberations in respect of the Possible Offer in light of their position as directors of Raven Mount.

12. Extraordinary General Meeting

You will find set out at the end of this document a notice convening the EGM to be held at the Company's registered office, Regency Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 3ST at 10.00 a.m. on 24 March 2009 at which the following resolutions will be proposed:

- (i) subject to and conditional upon the Placing Agreement becoming unconditional (save for any condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission, a special resolution to:
 - (a) increase the authorised share capital of the Company from £10,000,000 to £19,000,000 by the creation of an additional 500,000,000 Ordinary Shares and 400,000,000 Preference Shares, representing an increase of 90 per cent. to the existing authorised share capital of the Company. The reason for the increase is to (I) create sufficient headroom for any Preference Shares and Ordinary Shares that may need to be issued on exercise of the Warrants that are the subject of the Placing and/or are issued to Raven Mount Shareholders in connection with the Possible Offer and (II) provide some additional headroom in both the authorised ordinary and preference share capital;
 - (b) authorise the directors of the Company to issue 400,000,000 Ordinary Shares, 400,000,000 Preference Shares and 275,000,000 Warrants (and the issue of up to 275,000,000 Ordinary Shares following the exercise of such Warrants), which authority shall expire on 23 March 2014. The reason for the authority is to (I) permit the directors to issue the Preference Shares and Warrants in connection with, *inter alia*, the Placing and the Possible Offer and (II) provide some additional headroom in respect of such authority for the ordinary and preference share capital and the Warrants;
 - (c) disapply the provisions of Article 5.1 of the Revised Articles so as to permit the directors of the Company to allot (I) up to 210,000,000 Warrants and (II) equity securities up to a nominal amount of £1,250,000 in each case for cash and free of the pre-emption provisions in Article 5.1 of the Revised Articles. This authority shall expire on 23 March 2014. The disapplication in (I) is in connection, *inter alia*, with the issue of the Warrants that may need to be issued in connection with the Placing and in (II) is to provide an additional general disapplication of such rights. The disapplication in (II) represents approximately 24.4 per cent. of the current issued ordinary share capital of the Company. In respect of the disapplication, and save as required by the Law, there is no minimum price per share at which equity securities can be issued pursuant to its terms;
 - (d) permit Company to make market purchases of up to 100,000,000 Ordinary Shares (representing 19.5 per cent. of the Existing Issued Ordinary Shares) provided that (I) the minimum price which may be paid for an Ordinary Share (exclusive of expenses) pursuant to such authority is £0.01 and (II) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the closing middle market quotation for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased. The authority shall expire 18 months from the date of the resolution;
 - (e) adopt the Revised Articles which will replace the Existing Articles. The changes to the Existing Articles will include those necessary to incorporate the rights attaching to the Preference Shares as detailed in Section A of Part 6 of this document, those deemed

appropriate to allow the Company to benefit from recent developments in Guernsey company law and finally changes addressing some duplication and administrative issues in the Existing Articles. A summary of the material changes is set out in paragraph 4 of Part 7 of this document; and

- (ii) subject to and conditional upon the resolution above being duly passed, an ordinary resolution to approve the Changes to the Share Option Plan and authorise the board of the Company (or a committee thereof) to:
- (a) make such further changes it may consider in its absolute discretion necessary, appropriate or desirable to the terms of the Share Option Plan; and
 - (b) make such arrangements as it considers in its absolute discretion necessary, appropriate or desirable in connection with the implementation of the Share Option Plan.

13. Action to be taken

A Form of Proxy for use at the EGM accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's transfer agent, Capita Registrars, The Registry, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, but in any event so as to be received by 10.00 a.m., on 22 March 2009. The completion and return of a Form of Proxy will not preclude Ordinary Shareholders from attending the EGM and voting in person should they so wish.

14. Recommendation

The Directors (other than Anton Bilton and Glyn Hirsch in respect of the Possible Offer⁽¹⁾) consider the Placing, the Possible Offer, the Changes to the Employee Share Option Plan and the adoption of the Revised Articles to be in the best interests of the Company and its Ordinary Shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of the Resolutions to be proposed at the EGM as they have irrevocably undertaken so to vote in respect of their own beneficial holdings amounting, in aggregate, to 16,595,240 Ordinary Shares (representing approximately 3.23 per cent. of the Company's existing issued ordinary share capital). In addition, the Company has received irrevocable undertakings and letters of intent to vote in favour of the Resolutions at the EGM from Ordinary Shareholders representing approximately 38.42 per cent. of the Company's existing issued ordinary share capital.

Yours faithfully

Richard Jewson
Chairman

(1) Glyn Hirsch and Anton Bilton are conflicted as a consequence of being directors of Raven Mount. In addition, Anton Bilton is a substantial shareholder in Raven Mount.

PART 2

INFORMATION ON THE GROUP

1. History and background

The Company was incorporated on 4 July 2005 to invest in the Russian real estate market with an initial focus on the Warehouse market in the Moscow and St Petersburg regions. The Company was admitted to AIM at that time and raised £153 million through a placing of Ordinary Shares, and a further £310 million in April 2006 through a further Ordinary Share placing.

Since the IPO, Raven Russia has acquired investment properties producing a rental income stream through indirectly held subsidiaries, and development property portfolios (through development joint ventures), where it has acted both as joint developer and a partner providing development finance, fully acquiring the asset on completion.

On 26 November 2008, the Company completed the Internalisation of its property advisor, following which the Group is no longer subject to the restrictions of its formal investment strategy.

2. The Business

Raven Russia's strategy is to invest, for the long term, in freehold and leasehold property in Russia, which offers the prospect of attractive returns to its investors. The Group will continue to seek such property opportunities, either for direct investment by entities within the Group or investment with co-investment partners.

The Company's immediate focus is on the completion of its development portfolio, leasing it to high quality tenants as well as taking advantage of property investment opportunities in the CIS, thereby generating an attractive rate of return for shareholders.

3. Directors, senior management and employees

Directors

Richard Jewson, Non-executive Chairman (aged 64)

Richard Jewson joined Jewson, the timber and building merchant, in 1965 becoming the Managing Director, then Chairman of its holding group, Meyer International plc from which he retired in 1993. He is currently Chairman of Archant Ltd, and a non-executive Director of Temple Bar Investment Trust plc, Grafton Group plc and Clean Energy Brazil plc and other unquoted companies. He retired in 2004 from 10 years as Chairman of Savills plc and in 2005 from 14 years as a non-executive Director and deputy Chairman of Anglian Water plc.

Anton Bilton, Executive Deputy Chairman (aged 44)

Anton Bilton is an economics graduate from City University in London. Anton is Executive Deputy Chairman of the Company and a director of Raven Mount Group plc. He has also been a founder and director of three companies that have floated on AIM (Internet Technology Group plc, Keystone Solutions plc, and E-Capital Investments plc, now called Avanti Capital plc).

Anton has also been a director of four public property companies established under the Business Expansion Scheme.

Glyn Hirsch, Chief Executive Officer (aged 47)

Glyn Hirsch qualified as a Chartered Accountant with Peat, Marwick Mitchell & Co in 1985. Until 1995, he worked in the corporate finance department of UBS (formerly Phillips & Drew) latterly as an Executive Director specialising in UK smaller companies. From 1995 until 2001, he was Chief

Executive of CLS Holdings plc, the listed property investment company, a former Director of Citadel Holdings plc, the specialist French property investor and former chairman of Property Fund Management plc, the listed property fund management business. Glyn is also a non-executive director of a number of public and private companies including Liontrust Asset Management plc. Glyn is also a director of Raven Mount Group plc.

Colin Smith, Chief Operating Officer (aged 39)

Colin Smith, a Guernsey resident, who has been a senior executive of the Company for a year, was appointed to the Board on 14 November 2008. He has acted as a key liaison between the Company's non-executive board of directors and its service providers, including the property advisor and administrators in Guernsey and Cyprus. Prior to joining the Company, he was a director in the audit and assurance division of the chartered accountant practice of BDO in Guernsey. He was with BDO in Guernsey since 1994, having qualified as a Chartered Accountant with Stoy Hayward's Glasgow office. He is also a non-executive director and chairman of the audit committee of Tethys Petroleum Limited.

Stephen Coe, Non-Executive Director (aged 42)

Stephen Coe BSc, FCA a resident of France, is self employed providing executive and non-executive services to public and private clients. His current public directorships include Matrix European Real Estate Investment Trust Limited and ACP Capital Limited, where he acts as a non executive director; he is also chairman of the audit committee for the three entities. Private clients include investment funds, management companies and a captive insurer. From 2003 to 2006, he was Managing Director of Investec Trust (Guernsey) Limited and Investec Administration Services Limited, responsible for private client and institutional structures. Between 1997 and 2003 he was a director of Bachmann Trust Company Limited and previously he worked with Price Waterhouse specialising in financial services.

David Moore, Non-Executive Director (aged 48)

David Moore is a resident of Guernsey. He is an advocate of the Royal Court of Guernsey and is a partner with Ozannes, the Company's lawyers in Guernsey. He has been with Ozannes since 1993 and before that spent 10 years practising in the City of London, predominantly with Ashurst Morris Crisp. He specialises in corporate and financial matters and is a non-executive director of a number of investment and insurance management companies, investment and insurance companies including Standard Life Investments Property Income Trust Limited of which he is non-executive chairman.

Christopher Sherwell, Non-Executive Director (aged 61)

Christopher Sherwell is a Guernsey resident and a former managing director of Schroders in the Channel Islands. Before joining Schroders, he was Far East Regional Strategist in London and Hong Kong for Smith New Court Securities and prior to that spent 15 years as a journalist, most of them as a foreign correspondent for the Financial Times. He has considerable public company experience and acts as a non executive director on a number of publicly listed investment companies including Hermes Absolute Return Fund Limited and Hermes Commodities Umbrella Fund Limited, of both of which he is chairman, and IRP Property Investments Limited and Rutley European Property Limited.

Proposed Director

Mark Sinclair, Proposed Chief Financial Officer (aged 43)

The Board is proposing that, subject to relevant approvals, Mark Sinclair be appointed as a director of the Company. Mark, a Guernsey resident, is a chartered accountant, and spent 18 years at BDO Stoy Hayward, a leading professional firm in the UK. He was a partner in the London real estate group responsible for a portfolio of large property companies, both listed and private. He was also the lead partner of the London real estate audit group. He joined the Raven Group in

June 2006 as Finance Director of Raven Russia Property Management Limited, the property adviser to Raven Russia Limited and is currently a senior member of the Raven Russia Limited finance team following the Internalisation in November 2008. He has significant experience in all financial aspects of property transactions and company reporting.

Senior Management

Adrian Baker, Group Managing Director (aged 42)

Adrian Baker is a member of the RICS with over 20 years experience of property investment and development in the UK and Europe. He started his career in the property division of Nat West Bank and then spent 10 years at CLS Holdings working on their UK property portfolio. In 1997 he helped establish Citadel Holdings, a specialist AIM listed French property investor. He subsequently had spells at Topland Group, Prestbury Holdings and Great Portland Estates. After a year investing and developing property in Croatia, he joined Raven in June 2005.

Igor Bogorodov, General Manager (aged 44)

Igor Bogorodov is a graduate of the Ukrainian Institute of Technology and Berkley School, New York and has a Masters degree in Engineering and a Bachelors degree in Accounting and Finance. Working with the Moscow government, Igor was instrumental in introducing western construction knowledge and technology from the USA to Russia in the mid 1990's. As a successful Russian businessman, Igor's valued participation in the company ensures that the Company is protected from the changing tides of Russian commercial policy and regulation. Igor joined Raven in June 2005.

Employees

At the date of this document, the Group has 59 employees (excluding those of joint venture companies (the "Joint Venture Employees")).

The table below shows the geographical breakdown of employees by their main activity (excluding the Joint Venture Employees).

<i>Country</i>	<i>Total No. of Employees</i>	<i>Management</i>	<i>Development Monitoring and Acquisition</i>	<i>Structured Finance</i>	<i>Property Management</i>	<i>Accounting</i>	<i>Support and Administration</i>
Guernsey	14	5	1	4	-	1	3
Cyprus	10	3	-	-	-	1	6
Russia	35	2	11	5	5	3	9
Group total	59	10	12	9	5	5	18

4. Corporate governance

Board practices

As an AIM company incorporated in Guernsey, there is no requirement for the Company to comply with the Combined Code. However, the Board has determined that it should be the Company's policy to take appropriate measures to ensure that the Company complies with the Combined Code to the extent appropriate and taking into account its size and the nature of its business.

Committees

The Board has appointed an Audit Committee which is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. The Audit Committee reviews the annual and interim accounts, results, announcements, internal control systems and procedures, accounting policies of the Group and the continuing appointment of the auditors. The Audit Committee comprises of Richard Jewson, David Moore, Christopher Sherwell and Stephen Coe who is the Chairman. The Audit Committee meets at least four times a year.

The Board has appointed a Nominations Committee comprising Stephen Coe and David Moore.

The Board has recently appointed a Remuneration Committee made up of Richard Jewson, Stephen Coe, David Moore and Christopher Sherwell.

5. Summary financial information

The following information has been extracted without material adjustment from the interim results of the Company for the period ended 30 June 2008 and the annual report and financial statements of the Company for the years ended 31 December 2007 and 31 December 2006, which are available in full from the investors section of the Company's website at www.ravenrussia.com. Prospective investors should read the whole financial information contained in the interim and annual results of the Company and should not rely solely on this summary.

	<i>Six Months ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008⁽¹⁾</i>	<i>2007⁽²⁾</i>	<i>2006</i>
	<i>US\$m</i>	<i>US\$m</i>	<i>£m</i>
Net rental and related income	20	26	5
Profit from operations	10	10	1
Revaluation gains	45	80	3
Dividends	34	40	8
Net Assets at period end	996	969	453

(1) During the period to 30 June 2008, certain of the Group's Russian subsidiary and joint venture companies reassessed their functional currencies, which resulted in a restatement the effects of which are more fully explained in the 30 June 2008 interim financial results.

(2) With effect from the 2007 audited financial statements, the Group adopted a presentation currency of US dollars. Prior to this, the presentation currency was £ sterling.

6. Property valuation policy

The Company has appointed Jones Lang LaSalle as property valuers to prepare valuations on a semi-annual basis, with the valuation as at 31 December 2008 appearing in the Company's full year results which are due to be published in the second half of March 2009. Valuations are undertaken in accordance with the appropriate sections of the current practice statements contained in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, 5th Edition (the "Red Book"). This is an internationally accepted basis of valuation. Gains or losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise.

7. Application of The City Code on Takeovers and Mergers

The City Code applies to all takeover and merger transactions in relation to the Company.

The Panel on Takeovers and Mergers is an independent body, whose main functions are to issue and administer the City Code and to supervise and regulate takeovers and other matters to which the City Code applies in accordance with the rules set out in the City Code. The City Code is designed principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The City Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting right of a

company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interests in shares of the company during the 12 months prior to the announcement of the offer.

In the event that the place of central management and control of the Company were to be determined by the Panel on Takeovers and Mergers to no longer be within the Channel Islands, and the central management and control of the Company were determined not to be in the UK or in the Isle of Man, the City Code would cease to apply to the Company and Shareholders would cease to be protected by the City Code.

8. Taxation

It is the intention of the Directors to continue to conduct the affairs of the Group so that the management and control of the Company is exercised in Guernsey and that the Company does not carry on any trade in the UK (whether or not through a permanent establishment situated there). Having taken advice, the Directors have in place certain protocols with regard to the conduct of the Company's affairs.

On this basis, the Company should not itself (as opposed to some of the subsidiaries of the Group) be resident in the UK for taxation purposes and therefore should not be liable for UK tax on its income and gains.

Certain companies in the Group (including RRPM and RRPA) may be taxable in the UK and certain of the activities may give rise to permanent establishments in Russia which will be taxable in Russia.

The policy of the Group will be to continue to manage and operate each Group company in a way that is intended to ensure that it is resident for tax purposes only in the jurisdiction in which it is incorporated or domiciled and that it has no taxable permanent establishments or other taxable presence in any other jurisdiction, other than in the case of those companies providing advisory and staff services which may have permanent establishments in Russia or the UK. In particular, the Group intends to try to ensure, following advice, that any activities of the Company, RRPM, RRPA or other Group companies carried out in Russia will not create permanent establishments in Russia that could lead to reliefs under the Cyprus-Russia treaty being withdrawn or other Russian tax exemptions not being available.

PART 3

INFORMATION ON THE RAVEN MOUNT GROUP

This section sets out additional information on Raven Mount, which has been extracted from the Raven Mount admission document dated 31 October 2008. It has not been updated for the purpose of this document. Up to date information regarding Raven Mount's cash position can be found in paragraph 5 of Part 1 of this document. Further information on Raven Mount, including a copy of the admission document and the annual report and accounts for the Raven Mount Group for the years ended 31 December 2005, 2006 and 2007 can be found at www.theravengroup.co.uk.

The definitions at the end of this Part 3 apply throughout this Part, in addition to those set out on pages 5 to 9 of this document, unless the context otherwise requires. In the event of any inconsistency between the definitions set out below and those set out on pages 5 to 9 of this document, the definitions below shall apply.

1. History of the Raven Mount Group

Raven Mount was founded in November 2003 and took control of Swan Hill Group plc, the UK housebuilder, in December 2003 in a hostile takeover supported by Swan Hill's four largest shareholders.

In December 2004, shareholders approved the acquisition of Anton Bilton and Bim Sandhu's private residential property development group by way of a reverse takeover of Raven Property Holdings plc, for a total consideration of up to £39.9 million payable in shares (which £39.9 million was subsequently paid in full through the allotment of 49,140,984 Raven Mount shares) and began a strategic reinvention of the business.

In July 2005, Raven Mount subscribed £10.0 million towards the £153.0 million flotation of Raven Russia on AIM. Raven Russia was formed at Raven Mount's instigation as a vehicle for institutional shareholders to invest in the Russian property market with an initial focus on the Warehouse property market in the Moscow and St Petersburg regions. In April 2006, Raven Russia raised a further £310.0 million through the placing of 270 million shares at £1.15 per share.⁽¹⁾

In October 2005, the Raven Mount announced that it had completed the restructuring of its Audley joint venture. Audley Court Limited was actively involved in the development and management of Independent Living facilities for the elderly through its Audley brand, in which the Raven Mount had a 75 per cent. interest with the remaining 25 per cent. being owned by the management team.

In May 2008, Raven Mount announced that the trustees of the Swan Hill Pension Scheme, with the support of Raven Mount, had entered into an agreement for a full insurance buy-out of the Swan Hill Pension Scheme. In order to facilitate the buy-out, Raven Mount has agreed to pay an additional £7.25 million to the Swan Hill Pension Scheme. In addition, Raven Mount had to pay costs and fees on the buy-out and further costs in the course of winding up of the Swan Hill Pension Scheme; a process which is currently expected to be completed in summer 2009. Following completion of the buy-out and the winding up of the Swan Hill Pension Scheme, the Raven Mount Group will have no further exposure to the pension liabilities of the Swan Hill Pension Scheme.

(1) On 26 November 2008, Raven Russia acquired the entire issued share capital of RRPM and RRP A pursuant to the Framework Agreement.

In August 2008, Raven Mount renewed its general group facilities to provide for a secured £20.0 million facility available for one year until 31 August 2009. Following the receipt of the £15.0 million in cash on completion of the Internalisation, £10.0 million of the facility are only available with the bank's consent.

In October 2008, Raven Mount completed the sale of its 75 per cent. interest in Audley Court Limited (previously Raven Audley Court plc) in consideration for £15,000 in cash and the repayment in full of certain mezzanine loan indebtedness of £14,985,000.

2. Raven Mount Group business and current asset investments

The Raven Mount Group's current developments include mainstream property residential schemes at Lewes, Brackley and Sheffield as well as the development of second homes projects through its joint venture in the Cotswolds, The Lakes and potentially, subject to planning, in Grand Bahama. The Raven Mount Group intends to complete and realise cash from these schemes.

The Raven Mount Group currently has significant shareholdings in Raven Russia and Oriel Securities Limited, which are held as current assets in the balance sheet as it is not the Raven Mount Group's intention to hold these assets in the long term. The Raven Mount Group currently holds 13,035,054 shares in Raven Russia valued at £4.95 million as at 28 October 2008, which holding is expected to increase to 29,035,054 shares in Raven Russia upon completion of the Disposal. This will represent 5.7 per cent. of the enlarged issued share capital of Raven Russia following completion of the disposal. The Raven Mount Group also holds 2,409,769 shares in Oriel Securities Limited, a UK stockbroking firm, representing approximately 15 per cent. of the issued share capital of Oriel. Whilst it is the Raven Mount Group's desire to realise the value of these shares in the short to medium term, the Raven Mount Group believes that the prices at which they could currently be disposed of significantly undervalue their intrinsic net worth. It further believes that the business is fundamentally sound, with strong management and good long term business models. The Board of directors of Raven Mount considers that markets should normalise before a disposal of these shares is envisaged and, in the meantime, it will look to assist Oriel in enhancing its market value.

Residential development⁽¹⁾

Construction work on Sheffield Phase 1, which comprises 149 residential units and approximately 12,000 sq ft of commercial space, is proceeding well and the Company expects construction completion of the first units in November with full completion of the site in the first quarter of 2009. The Company recognises that the residential market, particularly for apartments is and continues to be difficult, largely due to the lack of mortgage provision, and therefore realisation of cash from this site even when fully developed will be slow. The Company has not commenced development on its 339-unit Sheffield Phase 2 site, on which it received vacant possession earlier this year, and it will not do so for the foreseeable future. It is currently seeking to sell part of this site but the demand for such properties is currently limited.

Development of the 51-unit residential site in the centre of Brackley, which also has approximately 9,000 sq ft of commercial space, is also proceeding well and the Company expects to be construction complete in the first quarter of 2009. However, it does not as yet have any exchanges on this site given the current reluctance of purchasers to purchase off plan. The Company intends to commence the marketing of this site this quarter. Construction completion of the 54-unit Lewes scheme is due in the first quarter of 2009. As at 24 October 2008, the Company has completed the sale of 29 units, including 14 affordable units, realising £5.9 million in cash.

(1) Raven Russia has based its offer value on the unaudited net assets of Raven Mount as at 31 December 2008 as adjusted by an up to date valuation of Raven Mount's major property assets which has been carried out by an independent valuer on behalf of Raven Russia. The Offer Document would include a combined valuation report on behalf of Raven Russia on Raven Mount's major property assets.

The Company continues to hold a strategic land bank of owned and optioned sites, which can be acquired at varying percentages of their market value. It continues to monitor and progress these sites as appropriate, as it is believed that a number of these sites may be worth considerably more than their current book value should they gain planning consents.

The Company has outline planning consent, in a joint venture with John Hitchcox and Yoo Limited, for a hotel and 160 second homes in 650 acres at Coln in the Cotswolds. The Company has detailed planning consent for 91 second homes and is seeking changes to the planning permission on subsequent phases in order to enhance the overall value of the site. As at 24 October 2008, the Company has completed 25 unit land sales and has entered into construction contracts in respect of these units. The Company is in the early stages of seeking planning permission for its second homes and hotel scheme in Grand Bahama.

3. The market

The Raven Mount Group operates within the property development market with a focus on mixed-use, planning gain driven opportunities.

The residential development arm of the business has been affected by the increasingly tighter lending practices of the UK banking institutions towards both end purchasers and developers. A lack of liquidity provision by the banks has a huge impact on the level of transactions in the mainstream residential market. Tighter lending criteria in particular have an impact on the first-time buyer market and the buy-to-let markets, which are perhaps the key components of the housing food chain.

4. Employees

At the date of this document⁽¹⁾, the Raven Mount Group has 113 employees, of which 73 work in the Russian property fund management business (the "Russian Employees"). On completion of the Disposal, the Russian Employees will cease to be employees of the Raven Mount Group.

The table below shows the geographical breakdown of employees by their main activity (excluding the Russian Employees).

<i>Country</i>	<i>Total No. of Employees</i>	<i>Directors</i>	<i>Head Office</i>	<i>Coln Project</i>	<i>Other Property Development</i>
UK	40	7	13	8	12

5. Incorporation and share and loan capital

5.1 The Company was incorporated and registered in England and Wales on 23 June 2008 under the Companies Act 1985 (as amended) with registered no 6626216 as a private company limited by shares with the name Shieldwave Limited. On 15 August 2008 the name of Raven Mount was changed to Raven Admission Limited. On 20 August 2008, Raven Mount was re-registered as a public limited company with the name Raven Admission plc. On 29 October 2008, the name of the Company was changed to Raven Mount Group plc.

5.2 The Company's legal and commercial name is Raven Mount Group plc.

5.3 The registered and head office of the Company is at 21 Knightsbridge, London SW1X 7LY and its telephone number is 020 7235 0422.

5.4 The principal legislation under which the Company operates is the Companies Acts.

(1) Being 31 October 2008, the date of publication of the Raven Mount admission document.

6. Risk Factors

6.1 Economic risk

6.1.1 General

Both UK and world economic conditions may affect the performance of the Raven Mount Group. Factors such as inflation, currency fluctuation, interest rates, recession, supply and demand of capital and industrial disruption or unemployment have an impact on business costs, future operations, earnings and stock market prices. The Company's operations, business and profitability could be affected by these and other economic and political factors, which are beyond the control of the Company.

6.1.2 Exposure to interest rate cycle

The Company is expected to finance a substantial part of its project development costs by borrowing. Borrowings will expose the Company to movements in interest rates, and the possibility that if the value of the developments falls, the Company's capital repayment commitments may exceed the capital value of the Company's assets.

6.1.3 Inflation

Inflation is an economic risk that can erode the value of any investment with fixed income characteristics. Upwards-only rent reviews and rental growth prospects can mitigate the eroding effect of inflation, but the level of rental growth will depend upon whether the occupational demand for properties exceeds supply between rent review dates.

6.2 Financial Risk

6.2.1 Finance and borrowing

The Company's capital requirements depend on numerous factors. If its capital requirements vary materially from its current plans, the Raven Mount Group may require further financing. There can be no assurance that the Company will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Company.

Further, any additional debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that on receipt of funding the Company will effectively manage the growth and that the expansion will not have an adverse impact upon the business.

6.2.2 Bank covenants

The pace and scope of sales might be insufficient to meet the bank's demands for project finance. As a result, the project would be delayed and the Company would be subjected to additional direct or indirect costs and/or loss of income (including cancellation of sales).

6.2.3 Debt gearing

Debt gearing is required as part of the Raven Mount Group's business and debt will be monitored and reviewed by the Company to ensure that liabilities of servicing interest, amortisation and lenders' ratios are adhered to. Where incomes and values fall, debt terms may be breached giving rise to default provisions requiring remedy by, amongst other possibilities, the investment of further equity.

6.3 Business and Industry Risk

6.3.1 Business, strategy, growth and competition

The ability of the Company to implement its strategy in a competitive market requires effective planning and management control systems. The Raven Mount Group's future

growth will depend on its ability to expand and improve operational, financial and management information and control systems in line with the Raven Mount Group's growth. This growth and expansion could place a significant strain on the Company's financial, management and other resources, particularly if such growth and/or expansion occurs rapidly. Failure to do so could have an adverse affect on the Raven Mount Group's business, financial condition and results of operations.

6.3.2 *Revenue and profit growth*

The results of the Company's operations may fluctuate. The Company may not be able to achieve sustained revenue growth and profitability in the future as its results are influenced by a number of factors, many of which are beyond the Company's control. Ultimately, if the Company does not realise sufficient revenue levels to sustain profitability, it may require additional financing, which may or may not be available.

6.3.3 *Dependence on key personnel*

The Raven Mount Group's success depends to a significant extent upon the retention of the services of members of the senior management or other key personnel. Any loss (whether temporary or permanent) could have a material adverse effect on the business, financial condition or results of operations of the Raven Mount Group.

6.3.4 *Ability to recruit and retain staff*

The future success of the Company depends to a significant extent on its ability to hire and retain key development, sales, operational and financial personnel. Although the Company has entered into contracts with certain of its current key personnel, there can be no assurance that the Company will be able to continue to retain and attract qualified personnel for the development of the Company's products and business.

6.3.5 *Property prices*

The ultimate success of an investment in the Company is dependent in part on property prices in the locations where they are situated remaining stable or rising. There is no guarantee that this will be the case. The performance of the Raven Mount Group could be adversely affected by a sustained downturn in the property market in terms of capital values.

There is also no guarantee that the Company will be able to sell the properties which it develops or that the Company will be able to sell the properties at profitable prices. The Company's financial performance depends, amongst other things, on the economic situation in the markets in which it operates. There can be no guarantee that the residential and commercial property markets, in these countries, will continue to develop, or develop at the rate expected by the Company.

6.3.6 *Property valuation*

Property and property-related assets are inherently subjective as regards value due to the individual nature of each property. As a result, valuations are subject to uncertainty as they are based on certain assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

6.3.7 *Acquisition of further land*

The successful growth of the the Company's business and profitability will depend on it being able to acquire good sites at competitive prices and develop them efficiently, and thereafter the ability of the Company to sell its developments in a timely fashion and with a good profit margin. This will depend, to a large extent, on the state of the property market in the countries in which the Company chooses to invest. The

Company's future development depends on its ability to identify and execute new development projects. Land for such projects can be difficult to obtain for reasons such as competition in the real estate market, the lengthy process of obtaining permits and the limited availability of land with appropriate infrastructure. Furthermore, there is no certainty that the land for the projects currently under negotiations will be finally purchased.

6.3.8 *Permits*

There can be no guarantee that any permits, consents or approvals required from third parties in connection with existing or new development projects will be issued or granted to Raven Mount (or a subsidiary of the Company). A failure by the the Company to obtain such permits, consents or approvals may affect the Raven Mount Group's ability to execute or complete existing and/or new development projects.

6.3.9 *Environmental risk*

The board of the Company views the assessment of environmental risk as an important element of its due diligence process when it acquires its properties. However, there can be no guarantee that the Company will not have to pay unexpected costs as a condition to the development of land purchased by the Company, or costs of remedying damages or fines for environmental pollution on real estate developed by the Company.

6.3.10 *Capital expenditure and development risk*

Projects in which Raven Mount Group is involved require significant capital expenditure for the purchase of the land and during the implementation stage, and often may only generate a return more than twenty four months after the beginning of construction work. Furthermore, changing conditions, unforeseen circumstances, increase in construction costs and financing costs during such lengthy development periods may result in losses or diminished profits from such development projects.

6.3.11 *Government policies and legislation*

The introduction of new policies or legislation or amendments to existing policies or legislation by governments or the interpretation of those laws in the United Kingdom or other jurisdictions under which the Raven Mount Group operates could impact adversely on the assets, operations and ultimately the financial performance of the Raven Mount Group.

6.3.12 *Taxation*

Any change in the Company's tax status or in taxation legislation in any of the countries in which the Company operates could affect the Company's ability to provide returns to shareholders.

6.3.13 *Restrictions on dividends*

Shareholders should note that payment of any future dividends will be at the discretion of the Board subject to applicable laws and after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

6.4 **Other Risk Factors**

Other risks include, delays in construction work, budget overruns, insolvency of contractors or sub-contractors, labour disputes, shortages of construction materials, accidents or unforeseen technical difficulties, which may or may not be under Raven Mount's control. Occurrence of any of these risks may cause delays, cost overruns, or loss of income and, in

some cases, cause the development project to not be completed and other direct and indirect costs and losses.

7. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Raven Mount Group in the two years immediately preceding the date of this document⁽¹⁾ or which are expected to be entered into prior to Admission⁽²⁾ and which are, or may be, material or which have been entered into at any time by any member of the Raven Mount Group and which contain any provision under which any member of the Raven Mount Group has any obligation or entitlement which is, or may be, material to the Raven Mount Group as at the date of this document:

7.1 Framework Agreement

See summary in paragraph 11 of Part 7 below.

7.2 Section 110 Agreement

It is anticipated that the Section 110 Agreement will be entered into on 3 November 2008 between Raven Mount Holdings, the Liquidators, RPML and the Company to separate the business activities conducted by RRPM from the general activities conducted by the current Raven Mount group (of which Raven Mount Holdings was at that time the holding company) by way of a reconstruction under section 110 of the Insolvency Act 1986.

The agreement is conditional on Raven Mount Holdings having received from Raven Mount the Liquidation Fund in cash by way of dividend. The Liquidation Fund is to be applied in discharging the liabilities of Raven Mount Holdings, including the costs of purchasing the interests of dissentients under the Section 110 Scheme. The Liquidation Fund is expected to be received by Raven Mount Holdings on 31 December 2008.

Pursuant to the Section 110 Agreement, the share in RRPM held by Raven Mount Holdings will be transferred to RPML and the shares in Raven Mount together with the Raven Russia shares held by Raven Mount Holdings as a consequence of a prior step of the Reorganisation will be transferred to the Company on 3 November 2008. Upon those transfers taking place the holders of the ordinary shares in Raven Mount Holdings will receive the same number of new ordinary shares in each of RPML and the Company as they held in Raven Mount Holdings at that time, except for Mark Kirkland and Rory Macnamara who will receive the same number of new ordinary shares in each of RPML and the Company as they held in Raven Mount Holdings at that time, less 1,000 ordinary shares of RPML and 1,000 Ordinary Shares each. This reflected the fact that Mark Kirkland and Rory Macnamara have each already subscribed for 1,000 ordinary shares of RPML and 1,000 Ordinary Shares.

The agreement contains a number of warranties given by the Company.

7.3 Deed of indemnity

Pursuant to the Section 110 Agreement, it is also anticipated that a deed of indemnity will be entered into on 3 November 2008 between the Company, Raven Mount Holdings and the Liquidators, in terms of which the Company agrees to indemnify the Liquidators in respect of all liabilities and expenses which might arise in connection with the Section 110 Scheme until the date two years and one day from the date of dissolution of Raven Mount Holdings, conditional upon which the Liquidators will enter into the Section 110 Agreement. The Company also agrees to indemnify the Liquidators in respect of all the Liquidators'

(1) Being 31 October 2008, the date of publication of the Raven Mount admission document.

(2) Being 4 November 2008, Raven Mount Admission.

remuneration fees, costs, including professional and legal costs, disbursements and other expenses and all other costs which might arise in connection with the Section 110 Agreement.

The Company further agrees to indemnify Raven Mount Holdings in respect of all debts and/or liabilities to which Raven Mount Holdings is subject at the date it goes into liquidation, or which it may become subject to after that date by reason of any obligation incurred before that date, together with any interest payable. The Company also agrees to indemnify Raven Mount Holdings against all liabilities and expenses which might arise in connections with or in the course of the liquidation of Raven Mount Holdings.

The deed is conditional upon the Section 110 Agreement being implemented, any changes to the Section 110 Scheme being effected only with the written approval of the Liquidators and the necessary resolutions of Raven Mount Holdings Shareholders being passed.

7.4 An introduction agreement dated 30 October 2008 between the Company and Shore Capital, pursuant to which the Company authorised Shore Capital to make an application to the London Stock Exchange for admission to trading on AIM of all the issued and to be issued Ordinary Shares and Shore Capital agreed to act as nominated advisor to the Company. The Company gave certain undertakings in order to enable Shore Capital to comply with the AIM Rules.

7.5 A facility agreement dated 29 August 2008 between Raven Mount and The Royal Bank of Scotland plc acting as agent for National Westminster Bank plc (the "Bank"), pursuant to which the Bank has made available to Raven Mount a revolving advance facility (the "Facility"). The Facility has an initial maximum principal amount of £19,750,000 which will, upon completion of the disposal by Raven Mount of RRPA, be reduced to £10,000,000 (except with the written consent of the Bank). The term of the Facility is one year.

Raven Mount and certain of its subsidiaries have entered into a composite guarantee and debenture, letters of postponement and deeds of priority and have granted legal charges over certain properties held by them. Raven Mount has also entered into certain covenants for itself and its subsidiaries (other than Audley and Raven Coln Park LLP). The facility agreement contains certain customary warranties to be given by Raven Mount and the Facility is subject to certain customary events of default.

The Bank has consented to the Reorganisation and the Disposal and on completion of the Disposal will release any security which it may hold over and given by RRPA and RRPM.

The facility agreement replaces an earlier facility agreement between Raven Mount and the Bank dated 31 August 2007.

7.6 The Pensions Trustees of the Pension Scheme entered into the Buy-out Policy Agreement on 27 May 2008 with PIC which is a company regulated by the FSA.

To facilitate the agreement, Raven Mount has agreed to pay £7.25 million to the Pension Scheme. £2 million is payable immediately and £5.25 million plus interest in January 2009.

Under the terms of the agreement, a further adjustment to the price may be required following a data and benefit verification process. Once the verification process has been completed, the Pension Scheme will be wound up and members' benefits will be fully bought out and insured with PIC.

7.7 An agreement dated 11 October 2008 between (1) Raven Mount, (2) Raven Property Holdings plc, (3) AC Holdings S.A.R.L, (4) Swan Hill Homes Limited, (5) Moorfield Real Estate Fund II A LP and Moorfield Real Estate Fund II B LP (together, "Moorfield") and (6) Malcolm Nicholas Sanderson, Dominic Connolley, Giles Leo Rabbets, Benedict Stanislaw Krauze and Tenor (IOM) Ltd, relating to the disposal of Audley and the repayment of certain mezzanine loan indebtedness.

The Audley Disposal completed in accordance with such agreement on 20 October 2008, upon which date (i) Audley was acquired by AC Holdings S.A.R.L (a newly formed company indirectly owned by Moorfield) in consideration for the payment to the Group of £15,000 cash and (ii) a mezzanine loan indebtedness in the amount of £14,985,000 owed by Audley to Raven Mount was repaid in full. A bank debt of £43.6 million was also transferred to AC Holdings S.A.R.L. Furthermore, Moorfield has agreed to take an assignment (or sub-lease) of the Group's Waterman's Business Park, Staines office lease subject to a lease back to the Group of the first floor for a period of one year from 20 October 2008 at an all inclusive rent of £200,000. Under the agreement, the Group also agreed not to carry on any assisted living business for a period of two years following completion of the Audley Disposal.

Moorfield and the Group have further agreed to enter into an agreement with respect to the management of the Group's site at Flete House, Flete, Ivybridge, under which Moorfield will also be granted an option to purchase the Group's long leasehold interest (which is of nominal value) upon the sale of the Group's four remaining residential units.

8. Related party transactions

Other than those material contracts detailed in paragraph 7 above, the following related party transactions are transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of the Group during the period commencing on 1 January 2005 and terminating immediately prior to the date of this document⁽¹⁾. Each of the transactions was concluded at arm's length.

- 8.1 An undertaking dated 3 September 2008 from the Trustee to Raven Mount, pursuant to which the Trustee agreed, subject to the passing of a Raven Mount shareholder resolution to amend the articles of association of that Company, to convert the convertible shares in Raven Mount held by the Trust into ordinary shares in Raven Mount. The conversion took place on 6 October 2008 and resulted in the convertible shares being converted into 2,376,000 ordinary shares in Raven Mount.
- 8.2 A loan agreement dated 1 November 2005 pursuant to which Raven Coln Park Limited, a wholly owned subsidiary of the Company, agreed to lend funds to Coln Park LLP, a joint venture partnership owned as to 50 per cent. by Raven Coln Park Limited. The funds were used for the development of the Coln Park development in Gloucestershire. A balance of £2.0 million is currently outstanding.
- 8.3 An agreement dated 31 July 2007 pursuant to which Audley agreed to purchase Audley Court Willicombe Park Limited, which was owned as to 50 per cent. by Nick Sanderson, a director of Audley.
- 8.4 In 2005 Raven Russia was floated on AIM. At flotation the Group purchased £10.0 million of shares in the company and, through RRPM, entered into the Property Advisory Agreement. In 2006, the Property Advisory Agreement was extended to 31 December 2015.

RRPM undertakes the property advisory services in the UK directly and sub-contracts the Russian element of the services to RRPA. RRPM receives an annual fee of 2 per cent. of gross assets in consideration for its services. In addition, RRPM is entitled to a performance fee which is calculated by reference to excess returns achieved by the shareholders of Raven Russia. Fees to RRPM range from 20 per cent. to 35 per cent. based on shareholder returns in excess of 12 per cent. to 25 per cent. per annum.

RRPM was granted the right to subscribe for 7,650,000 ordinary shares in Raven Russia at a price of 100 pence per share, exercisable until 25 July 2010.

(1) Being 31 October 2008, the date of publication of the Raven Mount admission document.

Raven Russia granted various options to the Raven Mount Employee Benefit Trust, to acquire up to 7.5 per cent. of the issued ordinary share capital of Raven Russia, on behalf of Raven Mount employees. These options were surrendered by the Trustee on 2 September 2008 subject to the completion of the Disposal on or before 31 December 2008.

Glyn Hirsch was a director of Raven Russia at the time of the above transactions.

- 8.5 On 11 July 2005, Raven Mount made a loan of \$1,230,000 to Aldama (Overseas) Limited to acquire land in Moscow for the purposes of building a warehouse on behalf of Raven Russia. The loan was repaid by Raven Russia during 2005.
- 8.6 A share purchase agreement dated 30 July 2008 between Raven Russia and Raven Mount pursuant to which Raven Russia purchased a 50 per cent. interest in Armbridge Consultancy Limited for a consideration of £1. In addition, Raven Mount assigned loans made to Armbridge Consultancy Limited, which were for the purpose of funding set up costs and working capital, to Raven Russia in consideration of the payment to Raven Mount in cash of the outstanding principal and interest payable under the loans totalling approximately US\$3.1 million.
- 8.7 On 22 October 2008, pursuant to an agreement reached between the parties in connection with the Audley Disposal described in paragraph 7.7 above, Raven Property Group plc paid £100,000 (net of any recoverable VAT) to Santon Group Developments plc (a company owned by Anton Bilton and Bim Sandhu) (“Santon”) in return for the transfer by Santon to Audley of the benefit of certain professional advice received by Santon in respect of a potential development site at Bearwood.

Definitions for this Part 3

“ Audley ”	Raven Audley Court plc
“ Audley Disposal ”	the disposal by Raven Mount of its interest in Audley
“ Company ”	Raven Mount Group plc
“ Disposal ”	the proposed disposal of RRPM and RRPA by Raven Mount to Raven Russia
“ Group ”	the Company and its subsidiary undertakings from time to time
“ Liquidation Fund ”	the cash sum paid by way of dividend to Raven Mount Holdings by Raven Mount to satisfy a condition set out in the Section 110 Agreement
“ Liquidators ”	Malcolm Cohen and Anthony David Nygate jointly or either of them separately as liquidators of Raven Mount Holdings
“ Pension Scheme ”	the Swan Hill Pension Scheme
“ Raven Mount ”	Raven Mount Limited (formerly Raven Mount plc)
“ Raven Mount Holdings ”	Raven Mount Holdings plc
“ Reorganisation ”	the recommended demerger of Raven Mount into two new holding companies, RPML and the Company, pursuant to a scheme of arrangement and the arrangement under section 110 of the Insolvency Act 1986 and the other related proposals
“ RPML ”	Russian Property Management Limited

“Section 110 Agreement”	the draft agreement pursuant to section 110 of the insolvency Act 1986, between Raven Mount Holdings (1) Malcolm Cohen and Anthony Nygate (as liquidators of Raven Mount Holdings) (2) RPML (3) and the Company (4)
“Section 110 Scheme”	the reconstruction of Raven Mount Holdings into two new companies, RPML and the Company pursuant to the arrangement under section 110 of the Insolvency Act 1986
“Trustee”	Tenon (IOM) Limited, as trustee of the Raven Mount Employee Benefit Trust, a discretionary trust established for the benefit of employees and former employees of Raven Mount and their spouses, widows, widowers and dependants

PART 4

PROPERTY PORTFOLIO

The accompanying table summarises the status of each investment and development property project as at the date of this document in which the Company has an interest, together with details of current rental status external financing facilities where an asset has been used as security.

Property	Land plot, ha	GLA, sqm	Total Development Cost	Rental Status	Net Operating Income ⁽¹⁾	Interest ⁽²⁾	Financing				
							Type	Principal Amount, \$m	Term end	Provider	Status
Baltia	5.1	28,000	\$29,000,000	Fully let	\$3,500,000	100%	Invest	\$22.6	24-Oct-12	HSH Nordbank	Fully Drawn
Southern	1.7	14,000	\$15,300,000	Fully let	\$2,100,000	100%	Invest	\$13.4	23-Nov-12	HSH Nordbank	Fully Drawn
Krekshino	22.2	118,000	\$113,000,000	Fully let	\$13,800,000	100%	Invest	\$89.3	30-Jan-13	Hypo Real Estate	Fully Drawn
Constanta	0.5	16,000	\$57,000,000	Fully let	\$9,400,000	100%	Invest	\$53.3	16-Nov-12	HSH Nordbank	Fully Drawn
Istra phases 1-5	33.3	199,000	\$171,000,000	77% Let/Pre-Let	\$19,500,000	100%	Invest	\$89.0	24-Oct-13	Aareal Bank	Fully Drawn
Shushary 1-3	26.0	142,000	\$144,500,000	42% Let/Pre-Let	\$7,100,000	100%				Unencumbered	
Noginsk I	21.8	123,000	\$117,000,000	Under construction	\$-	100%	Construct	\$62.8	1-Oct-09 ⁽³⁾	HSH Nordbank	\$39.1m Drawn
Pulkovo	5.1	36,000	\$40,700,000	Under construction	\$-	100%				Unencumbered	
EG	10.0	53,000	\$59,100,000	100% Pre-Let	\$6,900,000	100%				Unencumbered	
Klimovsk I	9.0	54,000	\$63,000,000	34% Pre-Let	\$2,800,000	100%				Unencumbered	
AKM I	12.3	63,000	\$75,100,000	10% Pre-Let	\$900,000	100%	Construct	\$44.0	20-Nov-13	Nomos Bank	Fully Drawn
Rostov on Don I	18.6	100,000	\$123,900,000	37% Pre-Let; 10% under letter of intent	\$6,400,000	50%	Construct	\$60.0	1-Sep-10	VTB	Fully Drawn
Novosibirsk	17.8	120,000	\$127,200,000	27.5% Pre-Let	\$4,400,000	50%	Construct	\$40.0	10-Oct-17	IFC	Fully Drawn
Total	183.4	1,066,000	\$1,135,800,000		\$76,800,000			\$474.4			

(1) Net Operating Income: net operating income for income producing assets represents the annualised, actual rental income for the year ended 31 December 2008. For properties under development Net Operating Income represents the anticipated annual income under signed preliminary lease agreements and letters of intent.

(2) The interest in the project reflects the proportion of the project accounted for in the consolidated financial statements of the Company.

(3) The Noginsk Facility falls due for repayment in October 2009 when the construction of the property is completed. At that time, the Company intends to convert the construction loan into an investment loan. The Group is currently assisting Anfrimo Holdings Limited (a subsidiary of a company external to the Group) in advanced discussions with HSH Nordbank in relation to the terms of this investment loan and has no reason to believe that such terms will not be agreed.

PART 5

RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Accordingly, prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

This document contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group which are described below and elsewhere in this announcement.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results and/or future operations of the Company could be materially and adversely affected. In such circumstances, the trading price of the Preference Shares and Warrants could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company.

Prospective investors should be aware that the value of the Preference Shares and Warrants (and any Ordinary Shares issued upon the exercise of the Warrants) may go down as well as up and that they may not be able to realise their investment. Prospective investors should also be aware that the coupon income from the Preference Shares may go down should the Company be unable to pay dividends on the Preference Shares.

There can be no guarantee that the Company's objectives will be achieved.

In this section "Key Managers" is defined as Mark Sinclair, Adrian Baker and Igor Bogorodov.

References below to the Company are also deemed to include, where appropriate, each member of the Group.

1. General Risk Factors

1.1 Current crisis in the global financial markets and the deterioration in the global economic outlook

The global financial system has been experiencing difficulties since August 2007 and the financial markets have deteriorated dramatically since the bankruptcy filing by Lehman Brothers in September 2008. This has led to severe dislocation of financial markets around the world and unprecedented levels of illiquidity. In recent months, there has also been growing concern in the financial markets about a global recession. These conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, the

Group might experience reductions in business activity, increased funding costs and funding pressures, a decrease in the market price of its Shares and Warrants, decreased asset values, additional write-downs and impairment charges and lower profitability.

1.2 ***Working Capital***

If the Company does not raise sufficient capital through the Placing (including as a result of the Resolutions not being approved), the Company's business, results of operations and financial condition may suffer, its ability to access funding may be further limited and its cost of funding may increase.

1.3 ***Gearing***

The Directors intend to continue to secure borrowing facilities in the future. It is not certain that such facilities will be able to be secured at levels or on terms acceptable to the Directors. Any amounts that are secured under a bank facility are likely to rank ahead of shareholders' entitlements and, accordingly, should the Company's assets not grow at a sufficient rate to cover the costs of operating the Company, shareholders may not recover their investment.

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Company's Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Company's property portfolio falls, including as a result of defaults by tenants pursuant to their leases with the Company, the use of borrowings will increase the impact of such falls on the net revenue of the Company and, accordingly, will have an adverse effect on the Company's ability to pay dividends to the holders of its Shares.

Should any fall in the underlying asset value or revenues result in the Company breaching financial covenants given to any lender, the Company may be required to repay such borrowings in whole or in part together with any related costs. If the Company is required to repay all or part of its borrowings, it may be required to sell assets at less than their market value.

1.4 ***Currency risk***

The Company transacts in currencies other than Sterling, primarily in US dollars and Russian Roubles. The Company's bank loans are predominantly US dollar denominated as are the terms of the rental contracts. Construction contracts are mostly Rouble denominated. Consequently, the Company's performance will be subject to the effect of exchange rate fluctuations with respect to the currencies employed.

1.5 ***Tax***

If a member of the Group is found to be, or to have been, tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, other than in the case of certain members of the Group providing advisory and staff services which may have permanent establishments in Russia and the UK, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of tax payable by the Group.

Any change in any member of the Group's tax status or in taxation legislation, practice or its interpretation, could adversely affect the post-tax returns to shareholders.

1.6 ***Retention of key employees***

The Company's future success is substantially dependent on the continued services and performance of certain key employees and its ability to continue to attract and retain highly

skilled and qualified personnel. The Directors cannot give assurances that members of the management team will continue to remain with the Company. The loss of the services of key employees could damage the Company's business. The nature of the Company and its business model will create a reliance on a small number of key personnel, whose expertise in their particular business activity is important to the fortunes of the Company going forward. The Company will be dependent, in particular, on the Key Managers. The loss of key personnel and/or the inability to recruit further key personnel could have a material adverse effect on the future of the Company through the impairment of the day-to-day running of the Company, the inability to develop new projects and the inability to develop new and maintain existing relationships.

2. Risk factors relating to property

2.1 *Fall in rental income and default*

The net revenue generated from the Group's properties may depend on the financial stability of its tenants and its commercial relationships with its' major customers. In the event of a number of tenants defaulting, the Group may experience delays in enforcing its rights as landlord and may incur costs, including litigation and related expenses, in protecting its investment and re-letting the relevant units. In the event of a tenant going bankrupt or becoming insolvent, and thus seeking the protection of bankruptcy or insolvency laws, the Group may experience delays in receipt of rental and/or other contractual payments or it may be unable to collect such payments at all.

If a lease is terminated, the Group may be unable to lease the property for the rent previously received or sell the property without incurring a loss. In the event of a default by a tenant leading to a vacancy or during any other period of vacancy, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurance, rates and marketing costs.

2.2 *Increase in operating costs*

The Group's operating and other expenses could increase without a corresponding increase in turnover or tenant reimbursements of operating and other costs. Factors which could increase operating and other expenses include:

- increases in the rate of inflation;
- increases in payroll expenses and energy costs;
- increases in property taxes and other statutory charges;
- increases in insurance premiums;
- increases in the costs of maintaining properties; and
- failure to perform by sub-contractors leading to increases in operating costs.

Such increases could have a material adverse effect on the Group's business, financial conditions or results of operations.

2.3 *Delay in construction and construction cost overruns*

The Group may also face delays in construction work, budget overruns, insolvency of contractors or sub-contractors, labour disputes, shortages of construction materials, accidents or unforeseen technical difficulties, which may or may not be under the Group's control. Occurrence of any of these risks may cause delays, cost overruns, or loss of income and, in some cases, cause the development project to not be completed and other direct and indirect costs and losses.

2.4 ***Risk on land valuation***

A significant proportion of the Company's net asset value comprises property and property related assets. If the property market weakens, the Company may have to write down the book value of the properties held by any member of the Group with a corresponding loss recognised in the income statement.

Property and property related assets are inherently difficult to value due to the individual nature of each property and the particular terms of the agreements to which interests in those ventures are held. As a result, valuations can be uncertain and there can be no assurance that the estimates resulting from the valuation process will reflect actual sale prices that could be realised in the future.

Both rental income and the market value of properties are generally affected by overall conditions in the Russian economy, inflation and changes in interest rates, which may in turn impact upon the demand for properties.

The potential for the development and/or expansion of Warehouses may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to the property.

2.5 ***Liquidity of underlying investments***

Investments in property are relatively illiquid and more difficult to realise than equities or bonds.

2.6 ***Legal changes***

Any changes to the laws and regulations relating to Russian property may have an adverse effect on the capital value and/or the rental income of the Company's property portfolio.

2.7 ***Uninsured losses***

The Group attempts to ensure that all its properties are adequately insured to cover losses. However, changes in the costs or availability of insurance could expose the Company to uninsured losses. In addition, certain types of risk may be, or may become in the future, uninsurable or not economically insurable or may not be currently, or in the future, covered by the Group's insurance. In the event that any of the properties incurs a loss that is not fully covered by insurance, the value of the Group's assets will be reduced by the amount of any such uninsured loss. In addition, the Group may have no source of funding to repair or reconstruct the damaged property, and there can be no assurance that any such sources of funding will be available to it for such purposes in the future.

2.8 ***Geographic concentration of properties***

All of the Group's properties are located in Russia, with the majority of the properties being located in the Moscow and St Petersburg regions. Consequently, any downturn in the Moscow or St Petersburg economies, or Russia's economy as a whole, could materially adversely affect the Group's business, financial condition or results of operations, particularly as the Group has only a limited ability to help offset such a downturn through alternative activities.

3. **Risk factors relating to Russia**

Potential investors should note that there are significant risks inherent in investing in Russia. The value of Russian companies and assets may be affected by various uncertainties such as economic, political or diplomatic developments, social and religious instability, taxation and interest rates, currency repatriation restrictions, crime and corruption and developments in the law or regulations in Russia and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level, or permissibility, of foreign ownership.

3.1 ***Political risk***

Significant political instability or social unrest could have a material adverse effect on the value of foreign investments in Russia and, therefore, the value of the Company's assets.

3.2 ***Economic risk***

Since the collapse of the Soviet Union, Russia has at various times been affected by declines in gross domestic product, hyperinflation, an unstable currency and high government indebtedness relative to Gross Domestic Product. Although Russia now has these factors under a greater degree of control, it cannot be guaranteed that this state of affairs will continue or that Russia's economy will not rapidly deteriorate. This could materially affect the value of the Company's assets.

3.3 ***Physical infrastructure***

Russia's physical infrastructure largely dates back to Soviet times and much has not been adequately funded and maintained over the last ten years. The deterioration of Russia's physical infrastructure may harm the national economy, disrupt the transportation of goods and supplies, add costs to doing business in Russia and interrupt business operations, each of which could have a material adverse effect on the Group's business.

3.4 ***Reliance on oil and gas***

The Russian economy is heavily dependent on the production and export of oil and is therefore highly sensitive to changes in the world oil price. It is impossible to predict future oil price movements with any certainty. A reduction in the world oil prices may lead to a decline in the value of Russian assets. In addition, it may have materially adverse effects on the Russian economy.

Making the economy less dependent on oil and natural gas export is a stated priority of Ex-President Putin and current President Medvedev, but there can be no guarantee that this will happen going forward.

3.5 ***Crime and corruption***

Part of the Russian economic system continue to suffer from corruption. The Company may have to cease or alter certain activities or liquidate certain investments as a result of criminal threats or activities. Legal rights may be difficult to enforce in the face of organised crime or corruption. Prospective counterparties to the Company may seek to structure transactions in an irregular fashion, and to evade fiscal or legal requirements. They may also deliberately conceal information from the Company and its advisers or provide inaccurate or misleading information.

Further, it is possible that permits, authorisations, re-zoning approvals or other similar matters may have been obtained in breach of legal requirements (often on the basis of illegal payments having been made). Such matters would be susceptible to subsequent challenge as ultra vires. Similar issues may arise in the context of compliance with privatisation procedures and auctions related to the acquisition of land, lease and development rights. It can be difficult, or impossible, to monitor or verify this issue one way or another.

3.6 ***Official data***

The quality and reliability of official data published by the Russian government and its agencies is generally not equivalent to that of more developed Western countries.

3.7 ***Accounting practice***

Accounting, auditing and financial reporting standards in Russia do not always match International Financial Reporting Standards and are not always equivalent to those applicable

in more developed market economies. The quality and reliability of information available to the Company is likely to be less than when investing in Western countries.

3.8 *Foreign currency and exchange rates*

The Company's assets may be invested in assets denominated in Roubles, which are not readily convertible into other currencies outside Russia. The value of the Company's assets, as measured in Sterling or US dollars, may be affected, both positively and negatively, by fluctuations in currency rates and exchange control regulations.

3.9 *Foreign investment restrictions*

The laws and regulations affecting foreign investment in Russian enterprises continue to evolve in an unpredictable manner. Laws and regulations, particularly involving taxation, foreign investment and trade, title to securities, and transfer of title that are applicable to the Company's activities can change quickly and unpredictably (sometimes with retroactive effect) in a manner far more volatile than in more developed market economies. Although basic commercial laws are in place, they are subject to varying interpretations and may at any time be amended, modified, repealed or replaced in a manner materially adverse to the interests of the Company.

3.10 *Repatriation restrictions*

Russian foreign investment legislation currently guarantees the right of foreign investors to transfer abroad income received from investments such as profits, dividends and interest payments. This right is subject to settlement of all applicable taxes and duties. However, more recent legislation governing currency regulation and control, guarantees the right to export interest, dividends and other income on investments, but does not expressly permit the repatriation of capital from the realisation of investments. Current practice is to recognise the right to repatriation of capital. Authorities currently do not attempt to restrict repatriation beyond the extent of the earlier law. No guarantee can be made, however, that amounts representing realisation of capital or income will be capable of being remitted.

Russian currency control legislation pertaining to the payment of dividends currently permits Rouble dividends on common stock to be paid to a special Rouble account of a non-resident shareholder or its nominee, and to be converted into a convertible currency and repatriated without restriction, but it is possible that this situation may change.

3.11 *Re-nationalisation, requisition, compulsory purchase*

Russia has, since the early 1990s, undertaken a substantial programme of privatisation. However, an anti-privatisation lobby still exists within the Russian parliament. Re-nationalisation of assets cannot be ruled out. Any such activity could materially adversely affect the value of the Company's assets. Further, land may be subject to compulsory purchase by the state for its own needs or as a sanction for the inappropriate use of that land.

The law on investment activity in Russia provides that in the event that property (including, by implication, real estate) is nationalised or requisitioned by the state, the owner is entitled to full reimbursement for all incurred losses, including loss of profit. It is not clear from the law how such losses will be calculated nor whether there is any way to seek to challenge (and so to prevent) confiscation of real estate.

During Russia's transformation from a centralised economy to a market economy, legislation has been enacted to protect private property against expropriation and nationalisation. However, it is possible that due to the lack of experience in enforcing these provisions and due to political or legal changes, these protections could not be enforced, in the event of an attempted expropriation or nationalisation. Some government entities have tried to

invalidate earlier privatisations. Expropriation or nationalisation of the companies in which the Company invests, their assets or portions thereof, potentially with little or no compensation, would have a material adverse effect on the Company.

3.12 *Russian taxation*

Russian tax law and practice is not as clearly established as that of the UK. It is possible that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retrospective effect, although legislation with retrospective effect that cause a deterioration in taxpayers' positions is generally prohibited.

Russian tax laws, such as the Tax Code, have been in force for a short period relative to tax laws in more developed market economies: therefore the government's implementation of these tax laws is often unclear or inconsistent. Often, differing legal interpretations exist between companies that are taxed and government organisations, such as the Minister of Finance, the Federal Tax Service and its various inspectorates, creating uncertainties and areas of conflict. Generally, tax declarations remain open and subject to inspection by tax and/or customs authorities for a period of three years following the tax year in question. There is some discussion over a change to the limitation period but how this will be resolved is currently unclear. Further, the tax authorities have in the past sought, and may again in the future, seek, ways to look back beyond the three year period. The fact that a year has been reviewed by tax authorities does not close that year nor any tax declaration applicable to that year, from further review during the three-year period. These facts create tax risks in Russia substantially more significant than typically found in countries with more developed tax systems.

The taxation system in Russia is subject to frequent change and inconsistent enforcement at the federal, regional and local levels. Until the recent adoption of the new Tax Code, the system of tax collection was relatively ineffective, resulting in the continual imposition of new taxes in an attempt to raise government revenues. There can be no guarantee that the Tax Code will not be changed in the future in a way that reverses recent positive changes. Among other things, the potential for government deficits raises the risk of a sudden imposition of additional taxes on the Company or entities in which it invests.

Accordingly, it is possible that the Company or any entity in which it invests could become subject to taxation in Russia that is not anticipated either at the date of this document or when its investments into Russia are made, valued or disposed of, which could have a materially adverse effect on the Company.

Equally, the timing for recovering VAT by the Group from the Russian government in respect of construction costs can be hard to predict.

3.13 *Legal system*

The volume of new legislation which has appeared, as well as the magnitude of the legislative changes taking place, has resulted in a lack of precedent available to the Russian courts to enable them to give clear and consistent judgments. Legal acts are published by a variety of state bodies and complete compliance with legal rules and standards, including in relation to privatisation, has often been difficult to achieve even for those attempting to do so. There is also a lack of precedent in relation to market-oriented legal relations.

Russia had little regulation on the issues relating to private ownership of real estate during the Soviet period. As a result, many aspects of the legislative framework relating to the holding of real estate in Russia remain undeveloped. The process of development of the legislative environment has not been finalised yet. The law is evolving rapidly and it is difficult to predict future changes.

Due to the inconsistency of Russian legislation, the same provisions of the law may be applied differently by different local authorities and state bodies. As an example, when applying for registration of sale and purchase agreements for real estate, registration may depend upon the decision of a state official who has, at least in practical terms, wide-ranging discretion over registration practices and procedures. The uncertainty as to how the law will be applied by different local authorities and state bodies may have adverse consequences for the Company.

Under Russian law, any legal rule affecting the rights and duties of private individuals must be published. However, there remains the risk of unpublished laws being applied in which case the validity of any act affecting the rights and duties of private individuals that is not based on published law can be challenged in court. Courts normally give protection to the rights of private individuals except, perhaps, in high profile cases where political reasons may prevail.

The independence of the judicial system and its immunity from economic, political and nationalistic influences in Russia remain largely untested. The court system is understaffed and under-funded. Judges and the courts are generally inexperienced in the area of business and corporate law. Judicial precedents have no binding effect on subsequent decisions as Russia is a civil law jurisdiction. In addition, most court decisions are not readily available to the public. Enforcement of court judgements can in practice be very difficult in Russia. All of these factors make judicial decisions in Russia difficult to predict and effective redress uncertain. Additionally, court claims may be used in furtherance of political or private objectives and court judgements are not always enforced or followed by law enforcement agencies.

Disputes concerning real estate are within the exclusive competence of the court of the Russian Federation. This does not therefore allow such disputes to be referred to arbitration outside Russia so that the Company may well be exposed to the issues outlined above.

3.14 *Town-planning issues*

City (or other authorities') reconstruction or zoning plans may envisage the demolition or reconstruction of buildings. It may be difficult to ascertain whether an investment that the Company proposes to make is, or may be in the future, affected by such plans. Buildings constructed in Russia often fail to comply with various matters of public or administrative law. As examples, they may not comply with the building code regulations, with the detailed requirements of the permits authorising their construction or with local authority zoning requirements. It can be difficult or, in some cases, impossible to verify compliance due to various factors, not least obtaining information from all relevant authorities in this context.

3.15 *Servitude and easement*

In Russia, the concept of an easement or servitude such as right of way or access is non-existent or in its infancy. Accordingly the rights relating to a property over another's land (e.g. for drainage, access, rights of light, cabling, structural support etc), are generally ill-defined concepts. The Company may be uncertain as to its rights over adjoining land, and similarly, neighbours to the Company's property may have ill-defined rights over the Company's property.

3.16 *Liability of investors in joint stock companies*

The Russian Civil Code, the Federal Law on joint stock companies and the Federal Law on limited liability companies generally provide that shareholders in a Russian joint stock company and members of a Russian limited liability company are not liable for the obligations of the company and bear only the risk of loss of their investment. An exception to this rule, however, is when one company is capable of determining such decisions of its subsidiary.

Such a company is called an effective parent. The company whose decisions are capable of being so determined is called an effective subsidiary. Under certain circumstances the effective parent bears joint and several responsibility for transactions concluded by the effective subsidiary in carrying out these decisions. In addition, an effective parent is secondarily liable for an effective subsidiary's debts if an effective subsidiary becomes insolvent or bankrupt resulting from the action or inaction of an effective parent.

3.17 ***Insurance***

The insurance industry in Russia is in an early stage of development and, accordingly, the insurance cover available is relatively limited. Many forms of insurance common in more developed countries are not yet available in Russia. Accordingly, there is a risk that losses and liabilities of Russian companies in which the Company invests, could have a materially adverse effect on their value. It may not be possible for the Company to obtain insurance for the loss of rent (or to do so at commercial rates).

3.18 ***Environmental concerns***

The Group may be liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that are located on or in a property owned or occupied by it, or that are migrating or have migrated from a property owned or occupied by it. The costs of any required removal, investigation or remediation of such substances may be substantial regardless of whether the Group originally caused the contamination.

The presence of such substances, or the failure to remedy the situation properly, may also adversely affect the value of the property or the Group's ability to sell, let or regenerate the property. The Group could be required to remove or remediate any hazardous substances that it has caused or knowingly permitted to be located at any property that it has owned or occupied in the past.

Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from an investment, including asbestos, and such presence, release or migration can form the basis for liability to third parties for personal injury or other damages. The Group may be affected by the additional cost of environmental liabilities imposed by environmental regulation, which could have a material adverse effect on its business, financial condition or results of operations.

3.19 ***Liabilities in acquired entities***

The Company may need to make investments by acquiring existing companies with undisclosed or unascertained liabilities embedded in such companies. The Company will seek to obtain appropriate contractual protection but obtaining comprehensive protection and the efficacy and enforceability of such protection (to the extent obtained) cannot be guaranteed.

3.20 ***Title, Immovables Register and Register of Rights***

In accordance with the Federal Law on the State Register of Immovable Property dated 24 July 2007, the State Register of Immovable Property (the "Immovables Register"), administered by the Federal Agency, was established. The Immovables Register discloses, *inter alia*, certain key information in respect of land such as its location, designated use, ownership title, cadastre value, etc. The general information from the Immovables Register is publicly available and may be obtained by any interested person. Additionally, there is a uniform register of rights to immovable property and transactions with it which also contains key information in respect of land and buildings, similar to the Immovables Register. However, the quality and reliability of the official information in both registers is

generally not equivalent to that of more developed Western countries. Further, the state gives no clear guarantee relating to the accuracy and completeness of the information contained in either register.

Thus, although the Company may be forced to rely upon the information contained in either register, it may not have effective redress against the state if the information upon which the Company relied, in deciding whether or not to make an investment, was inaccurate, misleading or incomplete. The information in either register may be subject to a challenge in the court by any interested party.

Broadly speaking, the Company will only acquire a title to assets which is as good as the title of the seller of such assets to the Company. It can be difficult, or impossible, in certain cases, to establish beyond doubt that such title is incapable of challenge. Any successful challenge to the validity of the seller's title to an asset may in turn have adverse consequences for the Company's title to such asset.

3.21 *Land lease expiry or termination*

The Company may acquire investments where it has only a leasehold interest in the land (but ownership of any building on it). The land lease is likely to be capable of being terminated early in various circumstances; ordinarily this would only be in the event of breach of the land lease provisions, but there may be other circumstances provided for in the lease in question. Furthermore, the land lease may not contain renewal rights. In the event of termination of a land lease (whether during the term, generally for breach, or at the expiry of the term) there is a risk that the landowner will acquire the right to buy the building in question on that land, from the Company, for a price unspecified, but to be determined by the court. This is one possible outcome of a number of possible outcomes contemplated by the Civil Code. Due to a lack of court practice on how these provisions will actually operate, the Company's position, and the ongoing status of its investment, will be unclear upon termination of any land lease rights.

4. Risk Factors relating to the Preference Shares and Warrants

4.1 *Risks relating to the Preference Shares and Warrants trading on AIM*

The Preference Shares and Warrants will be admitted to trading on AIM, a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than that associated with larger or more established companies. An investment in the Preference Shares and Warrants quoted on AIM may carry a higher risk than an investment in the Preference Shares and Warrants quoted on the Official List as it may be more difficult for investors to realise their investment on AIM than to realise an investment in a company whose shares or warrants are quoted on the Official List. The AIM Rules are less demanding than those of the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for Preference Shares and Warrants cannot be assured.

4.2 *Trading in Shares and Warrants may be illiquid*

Admission to AIM of the Preference Shares and Warrants should not be taken as implying that there will be a liquid market for such Preference Shares and Warrants (and any Ordinary Shares issued upon the exercise of the Warrants).

4.3 *If the Company is wound up, distributions to holders of the Preference Shares will be subordinated to the claims of creditors*

On a return of capital on a winding-up, holders of Preference Shares will be entitled to be paid out of the assets of the Company available to members only after the claims of all creditors of the Company have been settled.

4.4 *If the Company is wound up, distributions to holders of the Ordinary Shares issued following the exercise of Warrants will be subordinated to the claims of creditors and the holders of Preference Shares*

On a return of capital on a winding-up, holders of Ordinary Shares issued following the exercise of the Warrants will be entitled to be paid out of the assets of the Company available to members only after the claims of all creditors of the Company and the holders of the Preference Shares have been settled.

4.5 *Dividends*

The ability of the Company to pay out dividends on the Shares will depend on, *inter alia*, rental and capital value growth in the underlying assets.

On 1 July 2008, the Law came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of Law was to replace the capital maintenance requirements in respect of dividend and distribution payments to be made from distributable profits (similar to that to which UK companies are subject and formerly applicable to Guernsey companies) with a solvency based test similar to that applicable to companies incorporated in New Zealand. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made to holders of the Shares.

Investors should be aware that the payment of the Preference Dividend on the Preference Shares will be subject to the Company satisfying this legal requirement.

The corporate structure of the Group entitles it to certain benefits under the double taxation treaty signed between Russia and Cyprus in 1998 and effective from 2000. Should this treaty be amended or terminated, tax efficiencies within the Group could be reduced and adversely affect the overall performance of the Company and its ability to pay dividends.

4.6 *Volatility*

The market price of the Preference Shares and Warrants (and any Ordinary Shares issued upon the exercise of the Warrants) could be subject to significant fluctuations due to a change in sentiment in the market regarding the Preference Shares and Warrants (or securities similar to them) or in response to various factors and events, including legal or regulatory changes affecting the Group's operations, variations in the Group's operating results or property valuation and any further downturn in the broader Russian property market.

4.7 *Absence of voting rights*

Holders of Preference Shares will only be entitled to receive notice of and to attend any general meetings of Ordinary Shareholders and to speak or vote upon any resolution proposed at such meeting if a resolution is proposed either varying or abrogating any of the rights and restrictions attached to the Preference Shares or to wind-up the Company (and only then in each case to speak and vote upon any such resolution) or in the event that any of the dividends on the Preference Shares are in arrears subject to certain terms and conditions as more particularly described in the relevant sections of Section A of Part 6 of this document.

4.8 ***Perpetual Securities***

The Company is unable to redeem the Preference Shares at any time and the holders of the Preference Shares have limited rights to call for their redemption which are more particularly described in the relevant sections of Section A of Part 6 of this document.

4.9 ***Net asset value and market price***

There is no guarantee that the market price of the Warrants will fully reflect the underlying value of the assets held by the Company. As well as being affected by the underlying value of the assets held, the market value of the Warrants will, amongst other factors, be influenced by the market price of the Ordinary Shares and the supply and demand for the Warrants in the market. As such, the market value of the Warrants may vary considerably from the underlying value of the Group's assets.

4.10 ***Payment by the Company of coupon payments on the Preference Shares may prevent the payment of dividends on, and the redemption or purchase by the Company of, the Ordinary Shares issued upon exercise of the Warrants***

The Preference Shares rank in priority to the Ordinary Shares and their rights contain provisions to the effect that if the Preference Dividend on them is not paid on the dates provided, then the Company will be restricted from paying dividends on, and/or purchasing any of the Ordinary Shares, as the case may be.

4.11 ***Future sales of Ordinary Shares and/or Warrants in the public market***

Sales of a substantial number of Ordinary Shares and/or Warrants in the public market could adversely depress the market price of the Warrants.

PART 6

PRINCIPAL TERMS OF THE PREFERENCE SHARES AND THE WARRANTS

SECTION A: PREFERENCE SHARES

Fixed Amount £1 per Preference Share.

Preference Dividends Cumulative preferential dividends will accrue from day to day on the Preference Shares at a rate of 12 per cent. per annum on the Fixed Amount (being £1) from (and including) the date of issue and will be payable quarterly in equal instalments in arrears on 31 March, 30 June, 30 September and 31 December in each year, save that in respect of any Preference Shares issued on or before 31 March 2009 the first payment of the Preference Dividend will be made on 30 June 2009 in respect of the period from the date of issue of the Preference Shares to (but excluding) 30 June 2009 and shall be calculated on a pro rata basis.

The holders of the Preference Shares shall rank for dividends in priority to the holders of any other class of shares of the Company (save for any Further Preference Shares (as defined below)). The holders of the Preference Shares shall not be entitled to participate in any further dividends or bonus share issue of the Company.

If all or any part of the Preference Dividend is in arrears, interest shall accrue on such unpaid sum at the rate of 15 per cent. per annum from the date upon which such arrears arise until the date of payment. In the event that the arrears of the Preference Dividend shall remain unpaid for six months then the interest rate at which interest will accrue on such arrears will from such time increase to the rate of 20 per cent. per annum.

If there are any arrears of the Preference Dividend outstanding the Company may not pay any distribution (as defined in section 301 of the Law but excluding for these purposes distributions falling within sections 302(1)(a), (d) and (e) of the Law) in respect of the Ordinary Shares or any other shares ranking for distribution after the Preferences Shares or Further Preference Shares.

Scrip Preference Dividend

Subject to the provisions of the Statutes, the board shall offer all holders of Preference Shares the right to elect to receive the Preference Dividend or any part thereof as a scrip dividend of Preference Shares instead of in cash.

Redemption

The Preference Shares only have the right to be redeemed in the following circumstances:

- subject to the Statutes, on completion of a takeover bid or merger transaction to which the City Code applies (or would have applied if such bid or transaction was proposed, made or effected on the date of adoption of the Revised Articles) (but which for the avoidance of doubt will not include a

subscription for or purchase of new shares or securities in the Company), as a result of which any person or persons acting in concert (as defined in the City Code) holds shares carrying in aggregate 50 per cent. or more of the voting rights (as defined in the City Code) of the Company; or

- subject to the Statutes, if the Company has served a Rights Cessation Notice (as defined below) on holders of Preference Shares where, at such time, there are fewer than 35,000,000 Preference Shares in issue.

In these circumstances, a holder of Preference Shares can elect to redeem all (but not part) of his holding.

The amount to be paid on such redemption per Preference Share will be an amount equal to the aggregate of (i) the Fixed Amount (being £1); and (ii) a sum equal to all arrears and accruals of the Preference Dividend thereon to be calculated down to and including the day of redemption (together with any accrued interest) and to be payable irrespective of whether or not such dividend has been declared or earned or become due and payable.

If the Company fails to redeem any Preference Shares on the date fixed for such redemption, interest shall accrue on unpaid redemption monies at the rate of 15 per cent. per annum from the date upon which such redemption monies were required to be paid until the date of payment. In the event that the relevant unpaid redemption monies have been unpaid for 6 months from the date fixed for redemption then the interest rate at which interest will accrue on such unpaid redemption monies will increase from such time to the rate of 20 per cent. per annum.

Capital

Save as set out above, neither the Company nor the holders of Preference Shares shall have a right to redeem the Preference Shares. On a return of capital on a winding up or pursuant to an administration order (other than a redemption or purchase by the Company of any of its share capital) the holders of Preference Shares shall be entitled, in priority to other shareholders (save for the rights relating to Further Preference Shares (as defined below)), to be paid out of the assets of the Company available for distribution to members an amount in respect of each Preference Share equal to the aggregate of the Fixed Amount (being £1) together with a sum equal to any arrears and accruals of the Preference Dividend in respect of such Preference Share (and any accrued interest), whether earned or declared or not, calculated down to the date of commencement of the winding up.

The holders of the Preference Shares shall not have any further right to participate in the assets of the Company on any such return of capital.

Voting Rights

The holders of the Preference Shares shall have the right to receive notice of and to attend any general meeting of the Company and to attend, speak and vote at a general meeting of the Company:

- if, and when at the date of the notice convening the meeting, the Preference Dividend is in arrears (and for this purpose, the

Preferred Dividend shall be deemed to be payable quarterly on the dates set out above); or

- if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares or for the winding up of the Company pursuant to Part XIX of the Law, in which case they shall only be entitled to vote on such resolution.

Save as set out herein, the Preference Shares shall not confer on the holders thereof the right to speak or vote at any general meeting of the Company.

Whenever the holders of Preference Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such general meeting, on a show of hands every holder thereof who is present in person or by proxy shall have one vote and on a poll every holder thereof who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote in respect of each Preference Share registered in the name of such holder.

The holders of the Preference Shares shall have the right to have sent to them (at the same time as the same are sent to the holders of the Ordinary Shares) a copy of the Company's annual report and accounts and (if available) the Company's six monthly interim unaudited financial statements and such other Company information that is sent to the holders of Ordinary Shares.

Variation of Rights

For as long as any Preference Shares remain in issue, the issue or allotment of or the creation or increase of the amount of any shares of any class or any security convertible into shares of any class ranking, as regards rights to participate in the Company's profits or assets, in priority to the Preference Shares shall be deemed to constitute a variation of the class rights attaching to the Preference Shares.

The Company may from time to time without the consent of the holders of the outstanding Preference Shares create and issue further preference shares (including but not limited to Preference Shares) ("**Further Preference Shares**") ranking as regards their participation in the profits and assets of the Company *pari passu* with but not in priority to Preference Shares and so that any such Further Preference Shares may either carry as regards participation in the profits and assets of the Company, rights and restrictions identical in all respects with the Preference Shares or with any other series of Further Preference Shares or rights and restrictions differing therefrom in any respect including but without prejudice to the generality of the foregoing in that: (i) the rate of dividend may differ; (ii) the Further Preference Shares may rank for dividends from such date as may be provided by the terms of issue thereof and the dates for payment of the dividend may differ; (iii) a premium may be payable on a return of capital or there may be no such premium; or (iv) the Further Preference Shares may be redeemable and/or convertible into Ordinary Shares on such terms and conditions as may be prescribed by the terms of issue thereof.

In the event that the Company creates and issues Further Preference Shares (except where the Further Preference Shares being created and/or issued are Preference Shares), then unless authorised by the consent in writing of the holders of three-fourths in number of the Preference Shares then in issue (excluding any Preference Shares held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Preference Shares, the Company shall not create or issue such Further Preference Shares unless:

- the board has made an offer to each person who holds Preference Shares to allot to him on the same or more favourable terms such proportion of those Further Preference Shares that is as nearly as practicable (fractions being disregarded) equal to the proportion in number held by him of the aggregate Preference Shares then in issue; and
- the period, which shall not be less than 21 clear days, during which any offer referred to above may be accepted, has expired or the Company has received notice of the acceptance or refusal of every offer made.

Until the Rights Cessation Date (as defined below), then save with such consent or sanction on the part of the holders of the Preference Shares as is required for a variation of the rights attached to such shares:

- the Company shall not make a distribution (as defined in section 301 of the Law but excluding for these purposes distributions falling within sections 302(1)(a), (d) and (e) of the Law) in respect of Ordinary Shares or any other shares ranking for distribution after the Preference Shares or Further Preference Shares (a “**Qualifying Distribution**”) which either itself or when taken together with the aggregate amount of Qualifying Distributions in the previous 12 month period would exceed 10 per cent. of the consolidated net asset value of the Company at the point in time the Company proposes to make the relevant Qualifying Distribution; and
- there shall not take place:
 - (a) a conversion of the Company under Part V of the Law;
 - (b) a migration of the Company under Part VIII of the Law;
or
 - (c) a voluntary striking off of the Company under Part XX of the Law.

If at any time there are fewer than 35,000,000 Preference Shares in issue, the Company may (but shall not be obliged to) serve a notice on the holders of Preference Shares (a “**Rights Cessation Notice**”) providing that the provisions set out above in respect of distributions and other corporate events shall cease to apply from the date specified in the Rights Cessation Notice provided that such date can be no earlier than a date which is 30 days after the date of the Rights

	Cessation Notice (such date being referred to as the “ Rights Cessation Date ”).
Form	The Preference Shares will be issued in either certificated form or uncertificated form in CREST.
Purchase of Preference Shares	The Company will have the power in its articles of incorporation to buy back the Preference Shares. A summary of the key provisions of the Revised Articles is set out in paragraph 4 of Part 7 of this document.
Yield	12 per cent. per annum, payable quarterly.
Listing	On AIM, a market operated by London Stock Exchange plc.

SECTION B: WARRANTS

Exercise Amount	25 pence.
Expiry Date	Tenth anniversary of the date of issue of Admission.
Transfer	Freely transferable.
Undertakings of the Company	The Company shall not in any way modify the rights attaching to the existing Ordinary Shares as a class in any way which operates to vary the rights of the Warrantholders in relation to the Warrants.

Warrantholders will have made available to them, at the same time and in the same manner as the same are made available to holders of Ordinary Shares, copies of the audited accounts of the Company (with the relevant directors’ and auditor’s reports) and copies of all other circulars or notices which are made available to holders of Ordinary Shares.

In the event that the Company is proposing to make a dividend (as defined in section 302 of the Law) to the holders of Ordinary Shares (a “**Qualifying Dividend**”) of an amount which is not consistent with the stated dividend policy of the Company, the Company will notify Warrantholders of such proposed Qualifying Dividend at least 60 days prior to the scheduled record date for such Qualifying Dividend.

Adjustment of Subscription Rights	<p>While any Warrants remain exercisable:</p> <ul style="list-style-type: none"> • after any allotment of fully paid Ordinary Shares by way of capitalisation of profits or reserves to holders of the Ordinary Shares on the register of members of the Company on a date (or by reference to a record date) other than pursuant to a scrip dividend; or • upon any sub-division or consolidation of the Ordinary Shares, the number and/or nominal value of Ordinary Shares to be subscribed on a subsequent exercise of each Warrant will be increased or (as the case may be) reduced proportionately on the basis that immediately after the allotment, sub-division or consolidation, the Ordinary Shares to be issued if the subscription rights attaching to the then outstanding Warrants were exercised shall constitute the same percentage of the total number of issued Ordinary Shares as that
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which such Ordinary Shares would have constituted immediately before such allotment, sub-division or consolidation and the Exercise Amount of the then outstanding Warrants shall be adjusted accordingly.

While any Warrants remain exercisable, in the event that the Company pays a Qualifying Dividend which exceeds 10 per cent. of the consolidated net asset value of the Company on the date of payment of the Qualifying Dividend, the Exercise Amount shall be adjusted in such manner as the auditors of the Company certify as fair and reasonable to take into account such Qualifying Dividend. Such adjustment shall become effective on the day following the record date for such Qualifying Dividend. For the purposes of this paragraph, the consolidated net asset value of the Company on the date of payment of a Qualifying Dividend shall be determined by reference to the latest published audited accounts or (if such accounts have been published since the publication of the Company's last audited accounts) the latest published interim half yearly unaudited accounts of the Company.

General Offers

Save as set out below, if at any time:

- an offer is made to all holders of equity share capital of the Company (as defined in the Act) (or all such holders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror (as such expression is defined in the latest edition of the City Code)) to acquire the whole or any part of such equity share capital of the Company; and
- the Company becomes aware that, as a result of such an offer, the right to cast a majority of votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid,

the Company shall forthwith give notice to the Warrantheolders of such vesting within 14 days of its becoming so aware (the "**General Offer**").

For the avoidance of doubt, the summoning of a meeting by the Court in connection with an arrangement under Part VIII of the Law or the preparation of an amalgamation proposal under Part VI of the Law in either case providing for the acquisition by any person of the whole or any part of such equity share capital of the Company shall be deemed to be the making of a General Offer.

Where a General Offer is made and:

- the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror shall have made an offer to Warrantheolders or to all Warrantheolders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror to acquire all of the outstanding Warrants; or
- the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror shall have

proposed an arrangement or amalgamation (“scheme”) with regard to the acquisition of all the outstanding Warrants,

and in either case the value of the consideration (on such basis as the auditors of the Company may determine, acting as experts, and shall have confirmed in writing to the Warrantholders no less than 21 days (or, if that is not possible, such period as is possible) prior to the expiry of such offer or the date on which such scheme becomes effective) receivable by a Warrantholder pursuant to such offer or scheme represents no less than that which he would have received pursuant to the offer made or scheme proposed to holders of Ordinary Shares had his subscription rights been exercised on the date upon which such offer became wholly unconditional or such scheme became effective (after deduction of the costs of subscription) then any Warrants which are not the subject of an acceptance of the offer to Warrantholders or are not effectively transferred or cancelled pursuant to such scheme shall lapse upon the expiry of that offer or (provided such scheme becomes effective) upon the date upon which that scheme is sanctioned by the Court in the case of an arrangement or in the case of an amalgamation is recorded on the register of companies in Guernsey.

If on a date (or by reference to a record date) while any Warrants remain outstanding:

- an offer or invitation is made by the Company (whether by way of rights or otherwise (including but not limited to an open offer) but not being an All Share Offer (as defined below)) to all the holders of Ordinary Shares; or
- any offer or invitation (not being a General Offer) is made to all the holders of Ordinary Shares otherwise than by the Company,

then the Company shall procure (but in the case of any offer or invitation (not being a General Offer) is made to all the holders of Ordinary Shares otherwise than by the Company, only in so far as it is able) that at the same time the same offer or invitation is made to the Warrantholders as if their respective Warrants had been exercised and the Warrantholders entered in the register of members accordingly on the day immediately preceding the record date of such offer or invitation then applicable. Provided that, if the directors of the Company so resolve, in the case of any such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the Warrantholders but that the Exercise Amount and/or the subscription rights shall be adjusted in such manner as the auditors of the Company shall certify to be fair and reasonable to take account of such offer or invitation by the Company.

If a General Offer is made whereunder the consideration consists solely of the issue of ordinary shares of the offeror and the offeror makes available an offer of warrants to subscribe for ordinary shares of the offeror in exchange for Warrants which the auditors of the Company consider in their opinion is fair and reasonable (having

regard to the terms of the offer and any other circumstances which may appear to the Auditors to be relevant) (an “**All Share Offer**”) then any director of the Company shall be authorised as attorney for each and any of the Warrantholders:

- to execute a transfer thereof in favour of the offeror in consideration of the issue of a warrant to subscribe for ordinary shares of the offeror as aforesaid whereupon the relevant Warrants shall lapse; and
- to do such acts and things as may be reasonably necessary or appropriate in connection therewith,

subject, in each case, to such offer becoming or being declared wholly unconditional and the offeror being in a position compulsorily to acquire the whole of the then issued ordinary share capital of the Company in accordance with the Law or in the case of such an offer implemented by a scheme, the date upon which that scheme is sanctioned by the Court in the case of an arrangement (provided that such scheme becomes effective) or in the case of an amalgamation is recorded in the register of companies in Guernsey.

If, on a date while any Warrants remain outstanding, any order is made or an effective resolution is passed for winding up the Company, except for the purpose of reconstruction or amalgamation (including but not limited pursuant to an amalgamation under Part VI of the Law or an arrangement under Part VIII of the Law) on terms sanctioned by an extraordinary resolution of the Warrantholders, and on such winding up (on the assumptions that all Warrants had been exercised in full and the Exercise Amount payable in connection therewith had been received in full by the Company) there would be a surplus available for distribution amongst the holders of the Ordinary Shares which would exceed, in respect of each Ordinary Share, a sum equal to the Exercise Amount each Warrantholder shall be treated as if, immediately before the date of such order or resolution, his Warrants had been exercised in full at the Exercise Amount and such Warrantholders shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares an amount equal to the sum to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the Exercise Amount. Subject to the foregoing all Warrants shall lapse on the liquidation of the Company.

Purchase and Cancellation

The Company may at any time purchase Warrants:

- by tender (available to all Warrantholders alike) at any price; or
- on market; or
- by private treaty at any price.

All Warrants purchased shall be cancelled forthwith and may not be reissued or sold.

Meetings of Warrantholders

Meetings of Warrantholders may be convened in accordance with the provisions of the Warrant Instrument and shall be competent to pass extraordinary resolutions of the Warrantholders and to exercise all the powers as referred to therein. Without prejudice to the generality of the foregoing the Warrantholders, by way of extraordinary resolution of the Warrantholders, shall have power to:

- sanction any compromise or arrangement proposed to be made between the Company and the Warrantholders or any of them;
- sanction any proposal by the Company for modification, abrogation, variation or compromise of, or arrangement in respect of the rights of the Warrantholders against the Company whether such rights shall arise under the Warrant Instrument or otherwise;
- sanction any proposal by the Company for the exchange or substitution for the Warrants of, or the conversion of the Warrants into, shares, stock, bonds, debentures, debenture stock, warrants or other obligations or securities of the Company or any other body corporate formed or to be formed;
- assent to any modification of the conditions to which the Warrants are subject and/or the provisions contained in the Warrant Instrument which shall be proposed by the Company;
- authorise any person to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any extraordinary resolution of the Warrantholders;
- discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under the Warrant Instrument; and
- give any authority, direction or sanction which under the provisions of the Warrant Instrument is required to be given by extraordinary resolution of the Warrantholders.

Modifications to the Warrant Instrument

Any modification to the Warrant Instrument may be effected only by an instrument in writing, executed by the Company and expressed to be supplemental to the Warrant Instrument and, save in the case of a modification which is of a formal, minor or technical nature or made to correct a manifest error, only if it shall first have been sanctioned by an extraordinary resolution of the Warrantholders.

Listing

On AIM, a market operated by London Stock Exchange plc.

PART 7

ADDITIONAL INFORMATION

1. Responsibility statement

The Directors and the Proposed Director whose names, functions and addresses appear on page 3 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors, the Proposed Director and the Company (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.

2. The Company

- 2.1 The Company was incorporated with limited liability in Guernsey on 4 July 2005 under the Companies (Guernsey) Laws 1994 to 1996 as amended, with registered number 43371 and with the name Raven Russia Limited.
- 2.2 The Company's legal and commercial name is Raven Russia Limited.
- 2.3 The head office of the Company is at 1 Le Truchot, St Peter Port, Guernsey and its telephone number is 01481 712955.
- 2.4 The principal legislation under which the Company operates are the Companies (Guernsey) Laws 1994 to 1996 as amended and the Companies (Guernsey) Law 2008, as amended.

3. Share and loan capital

- 3.1 The Company was incorporated with an authorised share capital of £10,000 divided into 1,000,000 Ordinary Shares of £0.01 each. Two Ordinary Shares were issued upon incorporation.
- 3.2 By a resolution passed on 25 July 2005, the authorised share capital of the Company was increased from £10,000 to £7,500,000 by the creation of an additional 749,000,000 Ordinary Shares. 152,999,998 Ordinary Shares were subsequently issued by the Company and the entire issued share capital of the Company, constituting 153,000,000 Ordinary Shares, was admitted to trading on AIM on 29 July 2005.
- 3.3 By a resolution passed on 26 April 2006, the authorised share capital of the Company was increased from £7,500,000 to £10,000,000 by the creation of an additional 250,000,000 Ordinary Shares.
- 3.4 On 26 April 2006, the board resolved to allot 269,565,210 Ordinary Shares at a price of 115p per share, which were admitted to trading on AIM on 27 April 2006.
- 3.5 On the same day, the board resolved to allot a further 2,098,501 Ordinary Shares to RRPM in part settlement of the performance fee due under the Property Advisory Agreement for the period ended 31 December 2005. Such shares were admitted to trading on AIM on 2 May 2006.
- 3.6 On 30 March 2007, the board resolved to allot 1,222,841 Ordinary Shares to RRPM in settlement of the performance fee due under the Property Advisory Agreement for the period ended 31 December 2006. Such shares were admitted to trading on AIM on 10 April 2007.

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- 3.7 On 23 August 2007, the board resolved to allot 622,536 Ordinary Shares at a price of 116.75p per share in respect of a scrip dividend. Such shares were admitted to trading on AIM on 31 August 2007.
- 3.8 On 30 October 2007, the board resolved to allot 3,531,478 Ordinary Shares at a price of 96.17p per share in respect of a scrip dividend. Such shares were admitted to trading on AIM on 5 November 2007.
- 3.9 On 28 April 2008, the board resolved to allot 2,512,349 Ordinary Shares at a price of 83.67p per share in respect of a scrip dividend. Such shares were admitted to trading on AIM on 22 May 2008.
- 3.10 On 27 November 2008, the Company issued 64,000,000 Ordinary Shares to previous shareholders of Raven Mount Limited and 16,000,000 Ordinary Shares to Raven Mount Limited in consideration of the sale of RRPM and RRPA pursuant to the Internalisation. Such shares were admitted to trading on AIM on 28 November 2008.
- 3.11 At the date of this document the authorised and issued fully paid share capital of the Company is:

<i>Class of shares</i>	<i>Authorised</i>		<i>Issued (fully paid)</i>	
	<i>£</i>	<i>no</i>	<i>£</i>	<i>no</i>
Ordinary Shares	10,000,000	1,000,000,000	5,125,529	512,552,915
Preference Shares	-	-	-	-
Warrants	-	-	-	-

- 3.12 The authorised and issued fully paid share capital of the Company immediately following Admission (assuming the Placing is fully subscribed) will be as follows:

<i>Class of shares</i>	<i>Authorised</i>		<i>Issued (fully paid)</i>	
	<i>£</i>	<i>no</i>	<i>£</i>	<i>no</i>
Ordinary Shares	15,000,000	1,500,000,000	5,125,529	512,552,915
Preference Shares	4,000,000	400,000,000	1,250,000	125,000,000
Warrants	-	275,000,000	-	125,000,000

- 3.13 The authorised but unissued ordinary share capital of the Company immediately following Admission will be £9,874,471 representing approximately 65.83 per cent. of the enlarged authorised ordinary share capital. Approximately 12.66 per cent. of the authorised but unissued ordinary share capital will be reserved for the issue of 125,000,000 Ordinary Shares on the exercise of the Warrants to be issued pursuant to the Placing (assuming the Placing is fully subscribed) and approximately 1.19 per cent. of the authorised but unissued ordinary share capital will be reserved for the issue of circa 11,729,167 Ordinary Shares on the exercise of the warrants and share options referred to in paragraphs 3.22 to 3.26 below.
- 3.14 The authorised but unissued preference share capital of the Company immediately following Admission (assuming the Placing is fully subscribed) will be £2,750,000 representing approximately 68.75 per cent. of the authorised preference share capital.
- 3.15 Other than (I) the issue of Preference Shares pursuant to the Placing (II) on the exercise of the Warrants to be issued pursuant to the Placing (III) on the exercise of the warrants and share options as described in paragraphs 3.22 to 3.26 below or (IV) the issue of Preference Shares and Warrants pursuant to the Possible Offer, the Company has no present intention of issuing any of the authorised but unissued share capital of the Company.
- 3.16 The Company does not have in issue any securities not representing share capital.
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- 3.17 There are no provisions of Guernsey law equivalent to section 89(1) of the Act which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash or otherwise, but similar pre-emption rights (with certain exceptions) are contained within the Existing Articles. By Resolution 1(b) to be proposed at the EGM (and set out in full in the EGM Notice), the Company is seeking authority from its Ordinary Shareholders to authorise the directors to disapply pre-emption rights in respect of the allotment of (I) up to 210,000,000 Warrants and (II) other than pursuant to (I), in respect of allotments of equity securities of up to a maximum aggregate nominal value of £1,250,000, with such power to expire on 23 March 2014.
- 3.18 Save in respect of the Preference Shares and as provided below, no shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.19 Raven Russia (Guernsey) 2 Limited has agreed to waive its rights to a dividend in respect of the five million Ordinary Shares it holds. 529,112 shares were acquired on 31 December 2008 and 4,470,888 shares were acquired on 8 January 2009. It is intended that these shares be transferred to an employee benefit trust which is being set up pursuant to the Company's recent Internalisation, further details of which are set out in paragraph 5.1 below.
- 3.20 Save as disclosed in this paragraph 3, there has been no issue of share or loan capital of the Company or any other member of the Group (other than intra-group issues by wholly owned subsidiaries) in the three years immediately preceding the date of this document and (other than pursuant to the Placing or on the exercise of the warrants and share options referred to in paragraphs 3.22 to 3.26 below) no such issues are proposed.
- 3.21 Pursuant to the Placing, the Company will issue up to 125,000,000 Preference Shares and up to 125,000,000 Warrants on Admission. The Preference Shares will be issued pursuant to the provisions of the Revised Articles whereas the Warrants will be issued upon the terms summarised in Part 5 of this document.
- 3.22 In its circular to shareholders dated 30 July 2008, the Company outlined its intention to grant three 'stand alone' unapproved option agreements over circa 2.1 million Ordinary Shares to Bim Sandhu, Mark Kirkland and Alan Pereira. To date, these options have not been granted but it is intended that a pro rata amount be granted out of the reduced share option pool pursuant to the Share Option Plan, further details of which are set out in paragraph 5.2 below. In light of the fact that the three individuals are not employees of the Group, the employment conditions in the Share Option Plan shall not apply to those awards and the Board will consider which of the terms of the Share Option Plan should be disapplied in the circumstances.
- 3.23 Pursuant to an option agreement dated 25 July 2005, the Company has granted Cenkos Securities Limited the right to subscribe for 1,530,000 Ordinary Shares at 100p per Ordinary Share. Such option is exercisable at any time during the period of five years starting on 29 July 2005. Cenkos Securities Limited also has the right to transfer all or part of its rights to subscribe for Ordinary Shares.
- 3.24 Pursuant to an option agreement dated 25 July 2005, the Company has granted Kinmont Limited the right to subscribe for 382,500 Ordinary Shares at 100p per Ordinary Share. Such option is exercisable at any time during the period of five years starting on 29 July 2005. Kinmont Limited also has the right to transfer all or part of its rights to subscribe for Ordinary Shares.
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- 3.25 An option agreement dated 25 July 2005, pursuant to which the Company has granted to Adrian Collins the right to subscribe for 100,000 Ordinary Shares exercisable in three tranches.

As a consequence of the total return (calculated in a similar manner as it was for determining whether the annual performance fee pursuant to the Property Advisory Agreement became payable (“Total Return”)) being less than 9 per cent. compound per annum for the three year period following IPO, the first tranche of 33,333 options has lapsed.

The second tranche of 33,333 options will be exercisable after four years and no later than eleven years if the Total Return over the period of three years from the first anniversary of IPO reaches 12 per cent. compound per annum. If the Total Return over the relevant three year vesting period is less than 9 per cent. compound per annum then the tranche will lapse. If the total return is between 9 per cent. compound per annum and 12 per cent. compound per annum, then the tranche may only be exercised in respect of between 50 per cent. and 100 per cent. of the Ordinary Shares on a straight line basis. The option exercise price in respect of this tranche is 99.25p.

The third tranche of 33,334 options will be exercisable after five years and no later than twelve years if the Total Return over the period of three years from the second anniversary of IPO reaches 12 per cent. compound per annum. If the Total Return over the relevant three year vesting period is less than 9 per cent. compound per annum then the tranche will lapse. If the Total Return is between 9 per cent. compound per annum and 12 per cent. compound per annum, then the tranche may only be exercised in respect of between 50 per cent. and 100 per cent. of the Ordinary Shares on a straight line basis. The option exercise price in respect of this tranche is 107.075p.

- 3.26 Pursuant to a warrant instrument dated 25 July 2005, the Company granted RRPM the right to subscribe for 7,650,000 Ordinary Shares at 100p per Ordinary Share. Such warrant is exercisable at any time during the period of five years starting on 29 July 2005. RRPM transferred all of such warrants to Raven Mount Limited on 31 October 2008.
- 3.27 Save in respect to the placings referred to in paragraph 1 of Part 2 and save as disclosed in paragraph 9 below, no commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group in the three years immediately preceding the date of this document.
- 3.28 Save as disclosed in paragraphs 3.22 to 3.26 above and in paragraph 5 below, on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.
- 3.29 Other than pursuant to the Placing and the Possible Offer, none of the Preference Shares or Warrants have been sold or are available in whole or in part to the public in conjunction with the application for the Preference Shares and Warrants to be admitted to AIM.
- 3.30 The Preference Shares and Warrants will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive certificates for the Preference Shares and Warrants not to be held through CREST will be posted to allottees by 30 March 2009. Preference Shares and Warrants to be held through CREST will be credited to CREST accounts on Admission.
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4. Memorandum and articles of association

The memorandum of association of the Company provides that the Company's principal object is to invest in the purchase of land or any interest in land. The objects of the Company are set out in full in clause 3 of its memorandum of association.

As described in paragraph 7 of Part 1, the Company proposes to adopt the Revised Articles at the EGM. Provided that Resolution 1 is passed at the EGM, the Revised Articles will contain, *inter alia*, the provisions set out below as well as the rights granted in respect of the Preference Shares, further details of which are set out in Section A of Part 6 of this document. In addition, the principal changes to be introduced to the Existing Articles by the adoption of the Revised Articles are set out in paragraph 4.16 below:

4.1 Voting rights

Subject to the rights or restrictions referred to in paragraph 4.2 below and subject to any special rights or restrictions as to voting attached to any shares, on a show of hands every holder of ordinary shares who is present in person or being a corporation is present by a duly authorised representative, not being himself a member, shall have one vote and on a poll every holder who is present in person or by proxy shall have one vote for each share held by him. A corporate member may, by resolution of its directors or other governing body, authorise a person to act as its representative at general meetings and that person may exercise the same powers as the corporate member could exercise if it were an individual member.

4.2 Restrictions on voting

A member of the Company is not entitled, either in person or by proxy, in respect of any share held by him, to be present at any general meeting of the Company unless all amounts payable by him in respect of that share have been paid.

4.3 Dividends

Subject to the rights granted in respect of the Preference Shares, the Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profit or capital of the company (up to the amount recommended by the board). Subject to the rights granted in respect of the Preference Shares, the directors may pay such interim dividends as appear to the board to be justified by the financial position of the Company. No dividends payable in respect of an ordinary share shall bear interest. The directors may, if authorised by an ordinary resolution, offer the holders of ordinary shares the right to elect to receive further ordinary shares, credited as fully paid instead of cash in respect of all or part of a dividend (a "scrip dividend").

Subject to the rights granted in respect of the Preference Shares, the Company or its directors may fix a date as the record date for a dividend provided that the date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared. A dividend unclaimed for a period of 12 years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.

4.4 Return of capital

Subject to the rights granted in respect of the Preference Shares, if the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by the Statutes (as defined in the Revised Articles), divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may with the same sanction, vest the whole or any part of the whole of the assets in trustees on trusts for the benefit of the members as

he with the same sanction thinks fit, but no member shall be compelled to accept any assets on which there is a liability.

4.5 *Variation of rights*

Any rights attaching to a class of shares in the Company may be varied or abrogated with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons holding, or represented by proxy, not less than one-third in nominal value of the issued shares of the relevant class.

The issue of Preference Shares or Further Preference Shares (as defined in the Revised Articles) is not and shall not be deemed a variation of the class rights of the Ordinary Shares.

4.6 *Transfer of shares*

Subject to the restriction set out in this paragraph, any member may transfer all or any of his shares in any manner which is permitted by the Statutes (as defined in the Revised Articles) or in any other manner which the directors approve. A transfer of a certificated share shall be in writing in the usual common form or in any other form permitted by the Statutes or which the directors approve. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of CREST and as provided in the CREST Guernsey Requirement (as defined in the Revised Articles) or in any other manner which is authorised by the Company Board and from time to time approved.

The directors have a discretion to refuse to register a transfer of an uncertificated share (subject to the Regulations) and of a certificated share which is not fully paid (provided that this does not prevent dealings in the shares from taking place on an open and proper basis) without giving a reason. The directors must provide the transferee with a notice of the refusal within two months from the date on which the transfer was lodged in the case of certificated shares or, in respect of uncertificated shares the date on which an instruction was received by the Company through the relevant system. The directors may also decline to register a transfer of shares in certificated form unless (i) the instrument of transfer is delivered to the office of the Company or at another place which the directors determine, accompanied by the certificate for the shares to which it relates and other evidence which the directors reasonably require to prove the title of the transferor; (ii) the instrument of transfer is in respect of only one class of share; (iii) the number of joint holders to whom the share is to be transferred does not exceed four.

4.7 *Issue of shares*

4.7.1 Unless otherwise authorised by a special resolution, the Company shall not allot equity securities (as defined in the Revised Articles) on any terms unless (i) the Company has made an offer to each person who holds relevant shares and relevant employee shares (each as defined in the Revised Articles) to allot to him on the same or more favourable terms a proportion of those equity securities which is as nearly as practicable (fractions being disregarded) equal to the proportion in number held by him of the aggregate of relevant shares and relevant employee shares; and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in paragraph (i) above may be accepted has expired or the company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities includes the grant of a right to subscribe for, or to convert any securities into, relevant shares but does not include the allotment of any relevant shares pursuant to such a right.

4.7.2 The pre-emption rights set out in above shall not apply:

- (a) to a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash or allotted in whole or in part otherwise than for cash; and
- (b) to the allotment of equity securities which would, apart from a renunciation or assignment of the right to their allotment, be held under an employees' share scheme (as defined in the Revised Articles).

4.8 ***Alteration of capital and purchase of own shares***

4.8.1 The Company may alter its share capital as follows:

- 4.8.1.1 by ordinary resolution, it may increase its share capital, consolidate or divide all or any of its shares into shares of larger amount, sub-divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person;
- 4.8.1.2 by special resolution and subject to the provisions of the Statutes, and to the rights conferred as the holders of any class of shares it may reduce its share capital, any capital redemption reserve or any share premium account or other undistributable reserves in any manner; and
- 4.8.1.3 subject to the provisions of the Law and the Revised Articles, the Company may, at the discretion of the directors, purchase any of its shares of any class (together with, for the avoidance of doubt, Warrants and/or options over such shares) whether or not they are redeemable and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

Subject to the provisions of the Law and the Revised Articles, shares repurchased by the Company may be held as treasury shares and dealt with by the directors of the Company to the fullest extent permitted by the Law.

4.8.2 Subject to the Law and the Revised Articles, the Company is permitted to make market purchases of up to 250,000,000 Preference Shares provided that:

- 4.8.2.1 the minimum price which may be paid for a Preference Shares (exclusive of expenses) pursuant to such authority is £0.01; and
- 4.8.2.2 the maximum price (exclusive of expenses) which may be paid for a Preference Share is an amount equal to 105 per cent. of the average of the closing middle market quotation for a Preference Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased.

The authority shall expire 18 months from the date of the adoption of the Revised Articles.

4.9 ***General meetings***

The Company's board shall convene and the Company shall hold general meetings in accordance with the Law and the Revised Articles (which provides that 14 days prior written notice is required to convene annual general meetings).

The main meeting place or other place or places where members are present in person or by proxy for general meetings must be located outside the United Kingdom.

The quorum for general meetings is three members present in person or by proxy and entitled to vote on a poll. Where such a quorum is not present within 15 minutes of the time appointed for the holding of the meeting, if convened on the requisition of the members, the meeting shall be dissolved. In any other case, it shall stand adjourned to the same in the next week (or, if that day is not a business day, to the next business day) and at the same time and place as the original meeting or to such other day and time as the board may decide or not less than 7 clear days' notice. If at the adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, any two members who are present in person or by proxy and entitled to vote on the poll shall constitute a quorum, failing which the meeting shall be dissolved.

On a show of hands, every member who is present in person or by a duly authorised representative shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every ordinary share in the Company held by them. In the case of an equality of votes, either on a show of hands or on a poll, the chairman of the meeting shall be entitled to a further casting vote in addition to any vote or votes to which he maybe entitled.

4.10 ***Ownership thresholds and capital changes***

The Articles provide that any shareholder who acquires or ceases to have an interest equal to 3 per cent. of the ordinary shares in the Company must notify the Company of such interest. The obligation of disclosure also arises if there is an increase or decrease in the percentage level. If the percentage level is not a whole number, it shall be rounded down to the next whole number.

The Articles do require persons who receive a notice (as described in Article 13.1 of the Revised Articles) to provide information requested by the directors to the Company. Failure to do so within 14 days, will permit the Company Board to apply certain restrictions in respect of such shares.

4.11 ***Directors***

4.11.1 ***Number and Residence***

Unless otherwise determined by the Company by ordinary resolution, the number of directors shall be not less than three but there is no maximum.

At all times, the majority of the directors shall be neither resident nor ordinarily resident in the United Kingdom.

4.11.2 ***Meetings***

All board meetings must be held in Guernsey, save for one per annum which may be held outside Guernsey but must not be held in the United Kingdom. The majority of the board must be physically present at the location set for each board meeting. Remote attendance is forbidden where the director is physically present in the United Kingdom.

A quorum requires a majority of non-UK resident directors.

The Chairman, or acting Chairman, must be physically present in Guernsey or at the location set for each board meeting.

4.11.3 ***Committee***

Committee quorum requires one person to be physically present in Guernsey, no person to be physically present in the United Kingdom and a majority of non-UK resident directors.

4.11.4 *Remuneration*

The directors (other than directors holding executive office) shall be paid out of the funds of the Company for their services determined by the directors. The directors may be paid all travel, hotel and other expenses properly incurred in the performance of their duties as directors including expenses incurred in attending meetings of the board, committees of the board and general meetings or separate meetings of the holders of any class of securities of the Company.

4.11.5 *Retirement of directors by rotation*

At each annual general meeting of the Company, one-third of the directors (excluding any director who has been appointed by the directors since the previous annual general meeting) or, if their number is not three or a multiple of three, the number nearest to but not more than one-third shall retire from office. In addition, each director shall retire from office at the third annual general meeting after he was appointed or reappointed, if he would not otherwise fall within the directors to retire by rotation.

The directors to retire shall be those of the other directors who have been longest in office since their appointment or last re-appointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The directors to retire shall be determined (both as to number and identity) by the composition of the board at the commencement of business on the date of the notice convening the annual general meeting. A director shall not be required, or be relieved from the obligation, to retire by reason of a change in the board after that time but before the close of the meeting.

A retiring director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Revised Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a director ought to take place the office vacated by a retiring director is not filled, the retiring director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to appoint him is put to the meeting and lost.

No person shall be required to vacate from office by reason only of the fact that he has attained the age of 70 years or any other age.

4.11.6 *Executive directors*

The directors may appoint a director to an executive office in the Company. The appointment may be on terms the directors determine.

The appointment of a director to an executive office terminates if he ceases to be a director, but without prejudice to any claim for damages for breach of any contract of employment.

The authority of any director appointed to any executive office or employment shall be the same and shall not exceed the authority of any director appointed to any non-executive office or employment.

4.11.7 *Directors' interests*

A director shall not vote nor be counted in a quorum at a meeting in relation to any resolution of the board concerning any contract, arrangement, transaction or proposal in which he has a material interest (including by virtue of the interests of persons connected with him).

The prohibition will not apply to the following:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of a debt or obligation of the Company (or any of its subsidiary undertakings) for which he has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;
- (b) any contract concerning an offer of shares, debentures or other securities by the Company (or any of its subsidiary undertakings) in which offer he is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (c) any contract in which he is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (d) a proposal concerning another company in which he is not interested, directly or indirectly, in 1 per cent. or more either of its equity share capital or of its voting rights;
- (e) an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award the director a privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
- (f) a proposal concerning the purchase or maintenance of insurance for the benefit of persons who include directors.

Subject to the Law (as defined in the Revised Articles) and provided he has disclosed to the directors the nature and extent of his interest, a director may contract with the Company, the contract shall not be avoided on the grounds of his interest or benefit and the director is not liable to account to the Company for any benefit realised as a result of the contract.

A director may not vote or be counted in the quorum in relation to a resolution of concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more directors, a separate resolution may be put in relation to each director. In each case, each director (if not otherwise debarred from voting) is entitled to vote in respect of each resolution except that concerning his own appointment.

4.12 *Benefits*

The directors may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits to any person who is or who has at any time been a director of the Company

(and for any of his relations or dependants) or in the employment or service of the Company or any of its subsidiary undertakings (or the relatives or dependants of any such person).

4.13 *Borrowing powers*

Subject to the Law (as defined in the Revised Articles), the directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital and 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.

4.14 *Indemnity of officers*

Every director and other officer of the Company shall be indemnified by the Company to the extent permitted by the Law, from and against all actions, expenses and liabilities which they may incur by reason of any contract entered into or any act in or about the execution of their office except where incurred through their own negligence, default or breach of duty or trust.

The Company may purchase and maintain for or for the benefit of any director, and other officer of the Company or any subsidiary including insurance against costs, charges, expenses, losses or liabilities suffered or incurred by such persons in the actual or purported discharge of their respective duties, powers and discretion in relation to the Company.

4.15 *CREST*

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the Preference Shares and the Warrants to be admitted to CREST and it is expected that the Preference Shares and the Warrants will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

4.16 *Changes to be made to the Existing Articles*

The following is a summary of the principal changes to be made to the Existing Articles by the adoption of the Revised Articles:

4.16.1 subject to the prior approval of an ordinary resolution of the Ordinary Shareholders, the Revised Articles will grant to the Company the ability to convert all or any of its shares the nominal value of which is expressed in a particular currency into any other currency, such conversion being affected at an exchange rate current on the date of such ordinary resolution;

4.16.2 the Revised Articles will grant to the Company the ability to repurchase warrants and/or options issued by the Company and also granting the Company the ability to hold repurchased shares as treasury shares;

4.16.3 the Revised Articles will grant to the Company the ability to make market acquisitions of up to 250,000,000 Preference Shares on the terms set out in the Revised Articles;

4.16.4 the issue of Preference Shares by the Company will not be deemed to be a variation of the class rights of the Ordinary Shares in issue at that time;

4.16.5 the Revised Articles will grant the Company the ability to suspend the register of transfers for such periods as the directors of the Company may determine, provided that the registration of transfers may not be suspended for more than thirty (30) days in any year; and

4.16.6 the remaining amendments are to reflect changes brought about by the Law which came into force on 1 July 2008 and to address some duplication and administrative issues in the Existing Articles.

5. Incentive arrangements

At an extraordinary general meeting of the Company on 28 August 2008, the Ordinary Shareholders approved a resolution to approve and establish, *inter alia*, the Raven Russia Limited Employee Benefit Trust and the Raven Russia Limited 2008 Unapproved Employee Share Option Scheme as described in a circular to Ordinary Shareholders dated 30 July 2008 (the “**July 2008 Circular**”), granting the directors of the Company the authority to do all things necessary to give effect to such schemes. The Company intends to amend the terms of the Share Option Plan and Resolution 2 in the EGM Notice sets out the proposed changes.

The first scheme is an employee retention scheme for key management below the main board level. The second incentive arrangement approved took the form of an unapproved share option scheme over a ‘share pool’ of 18.5 million Ordinary Shares in the Company. In addition, three ‘stand alone’ unapproved option agreements were to have been entered into with three founders of the Company, namely, Bim Sandhu, Mark Kirkland and Alan Pereira, over circa 2.1 million shares.

5.1 *Raven Russia Employee Benefit Trust*

Under the employee retention scheme, a new employee benefit trust, namely the Raven Russia Limited Employee Benefit Trust (“**New EBT**”) will be established by the Company for the benefit of certain board members and employees below the board level (including their spouses and dependants) of the Group. On 31 December 2008 and 8 January 2009, Raven Russia (Guernsey) 2 Limited acquired, in aggregate, 5 million Ordinary Shares to fund the New EBT. Such shares will be held by Raven Russia (Guernsey) 2 Limited for subsequent transfer to the New EBT.

Following the establishment of the New EBT and the transfer to it of the 5 million Ordinary Shares, the New EBT will use such shares to retain and incentivise key senior employees below board level by awarding them future contingent entitlements to those shares dependent on their continued employment.

Under the rules of the employee retention scheme, the Company intends to recommend, immediately before the date of the publication of the final audited financial result of the Company for the accounting period ending on 31 December 2010 (the “**Publication Date**”), that the trustee of the New EBT makes share awards of such number of shares to selected employee-beneficiaries as the Company considers appropriate, such number of shares not to exceed in aggregate 5 million, provided that the relevant employee-beneficiary remains in continued employment with the Company (or any member of the Group) as at the Publication Date.

Subject to the exercise of the discretion by the trustee of the New EBT, it is intended that without creating any binding obligation on the trustee of the New EBT and without presently conferring any entitlement or interest to any person, the trustee would gift these new shares to the recommended employee-beneficiaries at the appropriate time provided that the relevant employee-beneficiary satisfies the continued employment condition and provided further that the relevant employee-beneficiary bears the income tax and employee national insurance contributions liabilities on receipt of the gifted new shares. The Company will however bear the cost of any employer’s national insurance contributions. It is further intended that the trustee of the New EBT would be entitled to receive dividends or other distributions in respect of shares held by the trustee between the acquisition of such shares

and the transfer of the shares to the relevant employee-beneficiaries, and the trustee will distribute such distributions to the relevant employee-beneficiaries at the time it transfers those shares in the retention scheme.

5.2 *Raven Russia Limited 2008 Unapproved Employee Share Option Scheme*

It was proposed that the Company (and the trustee of the New EBT) adopt the Raven Russia Limited 2008 Unapproved Employee Share Option Scheme (“**Unapproved Scheme**”) over a ‘share pool’ of 18.5 million Ordinary Shares in the Company to enable the Company and/or the trustee of the New EBT to grant unapproved options (the “**Options**”) to the employees of the Group on a discretionary basis. The main features of the unapproved scheme were summarised in the July Circular.

No awards have been made to date under this plan. In light of market conditions and the recent share price performance of the Company, the Board considers it appropriate to amend the Share Option Plan, as follows:

- reducing the “share option pool” from 18.5 million options over Ordinary Shares to 10 million options over Ordinary Shares. Awards under the plan will be capable of being satisfied by using existing Ordinary Shares or issuing new Ordinary Shares;
- introducing new performance criteria for the vesting of options awarded under the Share Option Plan linked to both total shareholder return together with increases in the Retail Prices Index;
- setting a base price for calculating total shareholder return under the Share Option Plan to be equal to the exercise price of the Warrants (i.e. 25 pence); and
- vesting the 10 million “share option pool” in three equal tranches over a three year period from the third, fourth and fifth anniversaries of Admission, subject to certain exceptions.

Resolution 2, set out in the EGM Notice, will be put to Ordinary Shareholders at the EGM to approve such amendments and to authorise the Board (or a committee thereof) to make further changes to the Share Option Plan and its implementation.

5.3 *Grant of options to certain non-employees*

In its circular to shareholders dated 30 July 2008, the Company outlined its intention to grant three ‘stand alone’ unapproved option agreements over circa 2.1 million Ordinary Shares to Bim Sandhu, Mark Kirkland and Alan Periera. To date, these options have not been granted but it is intended that a pro rata amount be granted out of the reduced 10 million share option pool pursuant to the Share Option Plan. In light of the fact that the three individuals are not employees of the Group, the employment conditions in the Share Option Plan shall not apply to those awards and the Board will consider which of the terms of the Share Option Plan should be disappplied in the circumstances.

6. Directors' and other interests

6.1 As at the date of this document and on Admission, the interests of the Directors, the Proposed Director and their immediate families (all of which are beneficial) in the ordinary share capital of the Company and, so far as is known to the Directors and the Proposed Director or could with reasonable diligence be ascertained by them, persons connected with them (within the meaning of sections 252 to 255 of the 2006 Act) which, if the connected person were a Director would otherwise be disclosed pursuant to this paragraph are or are expected to be as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Number of Ordinary Shares under option</i>	<i>Percentage of issued share capital</i>
Richard Wilson Jewson	154,229	-	0.0301
Christopher Wade Sherwell	29,000	-	0.0057
Stephen Charles Coe	63,000	-	0.0123
David Christopher Moore	89,564	-	0.0175
Colin Andrew Smith ⁽¹⁾	11,569	-	0.0023
Anton John Godfrey Bilton	14,746,546	-	2.8771
Glyn Vincent Hirsch	139,863	-	0.0273
Mark Sinclair	16,797	-	0.0033
Santon Pension Fund ⁽²⁾	312,500	-	0.0610
The Organon SIPP re Anton Bilton	1,048,969	-	0.2047
Godfrey Bilton Life Interest Settlement Trust ⁽³⁾	810,875	-	0.1582
Bilton Family Discretionary Settlement Trust ⁽⁴⁾	1,454,570	-	0.2838
Tenon (IOM) Limited ⁽⁵⁾	1,329,253	-	0.2593
The Raven Mount Group plc ⁽⁶⁾	29,163,447	-	5.7000

(1) These shares are held by The Lorier Retirement Annuity Trust Scheme, of which Colin Smith is a trustee and beneficiary.

(2) The Santon Pension Fund of 21 Knightsbridge, London SW1X 7LY, was formed on 30 March 2000 as a small self-administered scheme. Its trustees were Bim Sandhu, Anton Bilton and their respective spouses and beneficial ownership was divided equally between Bim Sandhu and his wife, on the one hand, and Anton Bilton and his wife, on the other. On 24 November 2008, the fund was split and its sole beneficiaries now are Bim Sandhu and his spouse. However, 312,500 shares in Raven Russia Limited which are still held by the Santon Pension Fund are in the process of being transferred to The Organon SIPP re Anton Bilton.

(3) The Godfrey Bilton Life Interest Settlement Trust of 1st Floor, 21 Knightsbridge, London SW1X 7LY, was formed on 17 June 2002. Its trustees are Anton Bilton and Martin Davies and its beneficiaries are the Life Tenant (being Anton Bilton's children) and their children and remoter issue (grandchildren, great grandchildren and so on).

(4) The Bilton Family Discretionary Settlement Trust of 1st Floor, 21 Knightsbridge, London SW1X 7LY was formed on 17 October 2007. Its trustees are Anton Bilton and Martin Davies and its intended beneficiaries are Anton Bilton's children, remoter issue, father, siblings, charitable organisations and anyone who the trustees shall add to the beneficiary class. Anton Bilton and his wife are excluded from benefiting from the Trust.

(5) Tenon (IOM) Limited is the trustee of the Raven Mount Employee Benefit Trust. Anton Bilton and Glyn Hirsch are interested in those shares in their capacity as potential beneficiaries under the trust.

(6) Anton Bilton and Glyn Hirsch are both directors and shareholders of the Raven Mount Group plc. Anton Bilton has an interest in approximately 24.49 per cent. of the issued share capital of Raven Mount Group plc.

6.2 As at the date of this document, the interests of the Directors, the Proposed Director and their immediate families (all of which are beneficial) in the share capital of Raven Mount and, so far as is known to the Directors and the Proposed Director or could with reasonable diligence be ascertained by them, persons connected with them (within the meaning of sections 252 to 255 of the 2006 Act) which, if the connected person were a Director would otherwise be disclosed pursuant to this paragraph are or are expected to be as follows:

<i>Director</i>	<i>Number of Raven Mount Shares</i>	<i>Percentage of issued share capital of Raven Mount</i>
Richard Wilson Jewson	-	-
Christopher Wade Sherwell	-	-
Stephen Charles Coe	-	-
David Christopher Moore	105,354	0.10
Colin Andrew Smith ⁽¹⁾	844	0.00
Anton John Godfrey Bilton	26,359,007	24.26
Glyn Vincent Hirsch	250,000	0.23
Mark Sinclair	-	-
The Organon SIPP re Anton Bilton ⁽²⁾	1,875,000	1.73
Godfrey Bilton Life Interest Settlement Trust ⁽³⁾	1,449,415	1.33
Bilton Family Discretionary Settlement Trust ⁽⁴⁾	2,600,000	2.39
The Bilton Charitable Foundation ⁽⁵⁾	60,000	0.55
Tenon (IOM) Limited ⁽⁶⁾	2,376,000	2.19

- (1) These shares are held by The Lorier Retirement Annuity Trust Scheme, of which Colin Smith is a trustee and beneficiary.
- (2) The Organon SIPP re Anton Bilton is a Self Invested Personal Pension of which Anton Bilton is a trustee and beneficiary.
- (3) The Godfrey Bilton Life Interest Settlement Trust of 1st Floor, 21 Knightsbridge, London SW1X 7LY, was formed on 17 June 2002. Its trustees are Anton Bilton and Martin Davies and its beneficiaries are the Life Tenant (being Anton Bilton's children) and their children and remoter issue (grandchildren, great grandchildren and so on).
- (4) The Bilton Family Discretionary Settlement Trust of 1st Floor, 21 Knightsbridge, London SW1X 7LY was formed on 17 October 2007. Its trustees are Anton Bilton and Martin Davies and its intended beneficiaries are Anton Bilton's children, remoter issue, father, siblings, charitable organisations and anyone who the trustees shall add to the beneficiary class. Anton Bilton and his wife are excluded from benefiting from the Trust.
- (5) The Bilton Charitable Foundation, of 1st Floor, 21 Knightsbridge, London SW1X 7LY, was formed on 26 March 2007. Its trustees are Anton Bilton, Martin Davies and Lisa Bilton and its beneficiaries are as nominated at the discretion of the trustees.
- (6) Tenon (IOM) Limited is the trustee of the Raven Mount Employee Benefit Trust. Anton Bilton and Glyn Hirsch are interested in those shares in their capacity as potential beneficiaries under the trust.

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- 6.3 At the date of this document and on Admission, save for the interests of the Directors and the Proposed Director disclosed in paragraph 6.1 above, the Company is aware of the following persons who are or will hold, directly or indirectly, voting rights representing 3 per cent. or more of the issued ordinary share capital of the Company to which voting rights are attached:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Invesco*	99,330,832	19.38
Lansdowne Partners	36,745,161	7.17
F&C Asset Management Limited	33,671,700	6.57
Schroder Investment Management	34,304,409	6.69
Laxey Partners	31,043,025	6.06
Mackenzie Financial Corp	29,600,000	5.78
Credit Suisse as principal	19,457,245	3.80
Deutsche Bank as principal	17,160,954	3.35
Aviva Investors Global Services Limited	15,993,440	3.12
Lazard Asset Management Limited	15,813,120	3.09

* Invesco will also hold 75,000,000 Preference Shares and 75,000,000 Warrants following Admission.

- 6.4 Save as disclosed in paragraphs 6.1 and 6.3 above, the Company is not aware of any person who will, immediately following Admission, hold directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached or could directly or indirectly, jointly or severally, exercise control over the Company.
- 6.5 The persons including the Directors and the Proposed Director, referred to in paragraphs 6.1 and 6.3 above, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.
- 6.6 The Company and the Directors and the Proposed Director, are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

6.7 The Directors and the Proposed Director currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Richard Jewson	Archant Charitable Trustee Company Limited Archant Employee Benefit Trustee Company Limited Archant Limited Archant Profit Sharing Scheme Trustee Company Limited Jarold and Sons Limited PFI Infrastructure Finance Limited Temple Bar Investment Trust PLC Grafton Group plc Clean Energy Brazil plc Nomina No. 195 LLP	Anglian Water Services Financing Limited Anglian Water Services Holdings Limited Anglian Water Services Limited East Port Great Yarmouth Limited Lexi Holdings plc Octagon Healthcare Funding plc Octagon Healthcare Group Limited Octagon Healthcare Holdings (Norwich) Limited Octagon Healthcare Limited Savills plc Taverham Hall Educational Trust Limited Watts Blake Bearne And Company Limited Priority Investments Holdings Limited Top Developments plc PFI Infrastructure plc 111 Alderney Street, (1981) Limited Barlows Banbury LLP
Anton Bilton	Santon Close Nominees Limited The Guaranteed Investment Property Company plc (Company In Liquidation) Santon Management Limited Santon Capital plc Raven Tower Limited Raven Property Holdings plc Raven Mount Limited Raven Property Group plc Santon Developments plc Raven Russia Property Management Limited* Misereavere Limited Santon Putney Limited Raven Mount Group plc Eclipse Film Partners No. 16 LLP Tal Se Land Development Partnership LLP	Capital Reversions plc Avanti Capital plc ZTC Telecommunications plc Angela Flowers Gallery plc Santon UK Limited Swan Hill Staff Pension Trust Limited Bilton House Investments Limited Audley Court Limited A & A Interiors & Furnishings Limited Tal CPT Land Development Partnership LLP
Glyn Hirsch	Emisan Limited Liontrust Asset Management plc Raven Mount Limited Raven Property Group plc Swan Hill Staff Pension Trust Limited Medavinci plc Misereavere Limited Raven Mount Group plc	Glotel PLC Property Fund Management Limited The Io Group Limited International Brand Licensing plc Santon UK Limited Brook Street Consulting Limited Audley Court Limited Proventec plc

* Wholly owned subsidiary company of the Company.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Colin Smith	Tethys Petroleum Limited LLC Logopark Don* LLC Logopark Irtysh* LLC Logopark Oka* LLC Logopark Ufa* LLC Logopark Ob* LLC Logopark Amur* LLC Logopark Svisloch* LLC Noginsk-Vostok* Aimthorn Ltd* Addup Investments Ltd* Mensazo Trading Ltd* Damicon Holdings Ltd* Piney Ltd* Raven Russia Acquisition (Southern) Company (Cyprus) Ltd* Raven Russia Cyprus Acquisition (Baltia) Company Ltd* Deanspar Holdings Ltd* Nenning Ltd* Transboro Ltd* Leifer Investments Ltd* Aimtone Ltd* LC Kalyinovka Enterprises Ltd* Raven Russia Management Company (Cyprus) Ltd* Megalogix Management Company (Cyprus) Ltd* Megalogix Ltd* Bluebeen Ltd* Quelo Ltd* Carliga Holdings Ltd* Becolana Holdings Ltd* Roslogistics Holdings (Russia) Ltd* Armbridge Consultancy Ltd* Raven Russia (Service Company) Ltd* Gilmoreton Ltd*	Cript Holdings Limited BDO Novus Limited BDO Novus (Audit) Limited Ibex Systems (CI) Limited Ibex Systems Guernsey Limited Da Vinci CIS Private Sector Growth Fund Ltd Kraken Commercial Property Fund plc KG Property Ltd K&M (IOM) Ltd Carander Ltd* Vindale Ltd* Spiralpont Ltd* Lafael Ltd* Serephina Ltd* Azuresky Ltd* Biznut Ltd* Cestream Ltd* Frontgate Ltd* Frontgoal Ltd* Frontdale Ltd* Storvo Holdings Ltd* Intorla Holdings Ltd* Defar Holdings Ltd* Ritarmo Holdings Ltd* Rubizo Holdings Ltd* Fronthill Ltd* Sommerton Ltd* Anfirimo Holdings Ltd* Raven Russia Finance Company (Cyprus) Ltd* Begur Holdings Ltd* Donadio Holdings Ltd* Padastro Holdings Ltd* Golea Holdings Ltd* Koro-Toro Ltd* Mensdorf Ltd* Gladbach Ltd* Webfog Ltd* Leonco Ltd* Ticcino Holdings Ltd* Estepona Properties Ltd* Barbate Ltd* Maniola Holdings Ltd* Vartor Holdings Ltd* Giarza Ltd* Abequa Ltd*

* Wholly owned subsidiary companies or joint venture companies of the Company.

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Stephen Coe	ACP Capital Limited	Petrushka Limited
	ACP Mezzanine Limited	Petrushka Management Limited
	ACP Mezzanine HOLDINGS UK Limited	Glanmore Longus House 1 Limited
	Callidus Holdings LlC	Glanmore Longus House 2 Limited
	Care Home Properties Limited	Dorchester Guernsey General Partner Limited
	Data Debt PCC Limited	Highbury Hill Limited
	George Street Holdings Pty Limited	Select Industries Management Co Limited
	Greenfield Holdings Limited	Fintique Three (BVI) Limited
	Hamilton Corporate Finance (Guernsey) Limited	Global Investment Basket Limited
	HCF Guernsey Limited	Investec Recovery Partners I Limited
	HCHP Limited	Enhanced Global Growth Basket Limited
	Healthcare Alpha Limited	Townhouse Limited
	Healthcare Beta Limited	Globe Films Management (CI) Limited
	Healthcare Delta Limited	York Limited
	Healthcare Finance Limited	Maghull Limited
	Healthcare Holdings Limited	Maghull Management Limited
	Healthcare Property Investments Limited	Northern Property Investment Company Limited
	Healthcare Real Estate Investors Limited	Congleton Management Limited
	Healthcare Real Estate Holdings Limited	Arkle Limited
	HHL Properties Limited	Victorian Mansions Limited
	HH Properties Limited	Alborg Plc
	HHLC Limited	SMS Investors Inc.
	HIC Limited	Optimal Investment Growth Basket Limited
	HICS Limited	Heathrow Business Centre Limited
	HIHP Limited	Senator House Holdings Limited
	IHP Limited	Heathrow Site No.9 (C.I.) Limited
	LEASECOM SA	Heathrow Site No.10 (C.I.) Limited
	Matrix European Real Estate Investment Trust Limited	Pinnacle Holdings Limited
	Mosaic Property CEE Limited	Rishon Properties Limited
	Mosaic Property GP Limited	Glanmore Property Dollar Fund Limited
	Mosaic Property CEE LLP	British Real Estate Dollar Fund Limited
	Sidra Fund Limited	Chateau First Properties SARL (CFPS)
	Specialised Care Properties Limited	Timber Investments Inc.
	St Andrews Healthcare PTY	Energy Investment Holdings Inc.
	Supported Living Limited	Matrix Property Fund Management (Guernsey) Limited
	Totemic Insurance Limited	MP Trustees Limited
	Victoria Capital PCC Limited	Spedition Center Kassel GmbH
		Palm Developments Limited
		FIX Protocol Holdings (Jersey) Limited
		Accelerated Global Growth Basket Limited
		Synergy Perth Trustee Limited
		Glanmore Property Accumulation Fund Limited
		British Real Estate Accumulation Fund Limited
		Ampurius Nu Homes Investments Limited
		Virosa Limited
		International Power (Sussex) Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Stephen Coe (Continued)		Matrix European Real Estate Sterling Capital Growth Trust Limited Aurora Russia Limited PTH (Morgan) Limited East Asian Growth Basket Limited Matrix Real Estate India Limited Matrix Juno (Guernsey) Limited Matrix Abaco Limited Finistere Directors Limited GFT Directors Limited Finistere (UK) Nominees Limited ITGL UK Nominees Limited Investec Administration Services Limited Finistere Secretaries Limited Finistere Limited Investec Trust (Guernsey) Limited Euro Asian Basket Limited Syndicate Asset Management (CI) Limited Syndicate Nominees (CI) Limited
David Moore	ACI Global Insurance Limited AQH Dundee GP Limited AQH Edward Street GP Limited AQH Edward Street Properties Limited Assay Insurance Services Limited Barbican Group Holdings Limited Barbican Reinsurance Company Limited Bracken Partners Investments Channel BSKyB (Guernsey) Limited Islands Limited BSI Generali Bank (CI) Limited Central Capital Limited Ciel Bleu Limited Ciel Gris Limited Ciel Clair Limited Ciel Orageux Limited Ciel Nuageux Limited Ciel Voilé Limited Clarke Wilmott Indemnity Limited Drummonds Insurance PCC Limited Financial Insurance Guernsey PCC Limited Generali International Limited Generali Worldwide Insurance Company Limited Generali Portfolio Management Limited GLASS CP Funding Limited Guernsey Loan Asset Securitisation Scheme Limited Hauteville Limited HRS Asset Management Limited HRS Diversified Fund PCC Limited HRS Holdings Limited Jupiter Insurance Limited Kraken Insurance Services (Guernsey) Land Securities Insurance Limited Lapco Limited	BSKyB Malta 1 Limited BSKyB Malta 2 Limited BSKyB Malta 3 Limited BSKyB Investments (Guernsey) LLP BSI (Channel Islands) Limited Central General Limited Central Life Limited Cheshire Guernsey Limited Fortune Dragon Limited FRM Investment Management (Americas) Limited Greenpark Capital Investment Management Limited Greenpark International General Partner I Limited Greenpark International General Partner II Limited Greenpark International General Partner III Limited Generali Portfolio Management Limited Sixt (Guernsey) Limited Sixt Insurance Services PCC Limited Schroder Executor & Trustee Company (CI) Limited Sovrisk Insurance Limited Starman Insurance Company Limited State Street Trustees (Guernsey) Limited White Rock Prefic PCC Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
David Moore <i>(Continued)</i>	Legis Group Limited Legis Corporate Services Limited Legis Fund Services (Isle of Man) Limited Lothbury Insurance Company Limited Morar ICC Limited Maturin UK 2008-01 (M/F 80-100) IC Limited Nest Egg Investments Limited NT General Partner Limited Orion Finance Corporation Limited Ovaco Limited Msr's Ozannes Advocates Royal Bank of Canada ARC Fund Limited Schroders CI Limited Standard Life Investments Property Holding Limited Standard Life Investments Property Income Trust Limited White Rock Insurance Company PCC Limited White Rock Insurance Company ICC Limited Windward Insurance PCC Limited	
Christopher Sherwell	Burnaby Insurance (Guernsey) Limited Schroder Oriental Income Fund Limited Consulta (Channel Islands) Limited Consulta Alternative Strategy PCC Limited Consulta Alternative Strategy Holdings Limited Consulta Capital Fund PCC Limited Consulta Capital Holdings Limited Consulta Collateral Fund PCC Limited Consulta Collateral Holdings Limited Consulta High Yield Fund Limited Consulta High Yield Holdings Limited Consulta Canadian Energy Fund Limited Alternative Asset Opportunities PCC Limited Dexion Equity Alternative Limited IRP Property Investments Limited IRP Property Investment Holdings Limited The Prospect Japan Fund Limited The Clifford Estate Company Limited The Clifford Estate (Chattels) Limited Ugbrooke Properties Limited Hermes Absolute Return Fund (Guernsey) Limited Hermes Commodities Umbrella Fund Limited SIP (Holdings) Limited Strategic Investment Portfolio GP Limited FF&P Alternative Strategy Income PCC Limited	Schroders (C.I.) Limited Fox Paine Guernsey GP Limited GAM Diversity III Inc GAM Composite Bond Inc GAM Composite Preservation Plus Inc GAM MP Liquidity Plus Inc GAM MP Relative Value Inc GAM AmalGAMs SPC Inc GAM MP Asia Pacific Equity Inc GAM MP European Equity Inc GAM MP US Equity Inc GAM Equity One Inc GAM European Focus Inc Diversified Alpha Select Z Inc GAM Institutional Alpha Strategies Inc GAM MP US Equity Relative Return Inc GAM Multi- Commodities Inc Alpha Spectrum Inc GAM Alpha Select Inc Select Alternative Investments Inc GAM MP Multi-Europe Inc GAM MP Multi-Japan Inc GAM MP Multi-Asia Pacific Inc GAM MP Multi-Emerging Markets Inc GAM Multi-Japan Inc GAM Multi-North America Inc GAM Trading (No.25) Inc MP Reserved Inc GAM Diversity II Investments Inc Cervin Growth Fund Inc BAS Alternative Strategies SPC Inc

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Christopher Sherwell <i>(Continued)</i>	Corazon Capital Group Limited Prodesse Investment Limited EMP Europe (CI) Limited Mid Europa III Management Limited Rutley European Property Limited Ciel Bleu Limited Ciel Clair Limited Ciel Gris Limited Ciel Nuageux Limited Ciel Orageux Limited Ciel Voilé Limited BSkyB Guernsey Limited Henderson Global Property Companies Limited Henderson Global Property Companies (Luxembourg) Sarl Goldman Sachs Dynamic Opportunities Limited Rufford & Ralston PCC Limited New Star RBC Hedge 250 Index Exchange Traded Securities PCC Limited JP Morgan Progressive Multi-Strategy Fund Limited Saltus European Debt Strategies Limited Lehman Brothers Private Equity Partners Limited LB PEP GP Limited	GAM Apex Strategy SPC Inc GAM Composite Absolute Return Access Inc GAM MP Access SPC Inc GAM Portable Diversity/S&P500 Inc GAM Portable Alpha Inc GAM Fermat Cat Bond Inc GAM Starboard Inc GAM EuroSystematic Value Hedge Inc GAM Global Emerging Markets Hedge Inc GAM Greater China Equity Hedge Inc GAM Diversity III Investments Inc GSC Credit Limited BSkyB Malta 1 Limited BSkyB Malta 2 Limited BSkyB Malta 3 Limited BSkyB Investments (Guernsey) LLP Schroder Executor and Trustee Company (C.I) Limited Schroder Nominees (Guernsey) Limited Schroder Corporate Services Limited Schroders (Bermuda) Limited Braye Finance Limited Dawnay Day Milroy Limited
Mark Sinclair	Heid Limited Capital City Developments Limited Raven Russia Property Management Limited* Raven Russia Property Advisors Limited* Raven Russia (Service Company) Limited*	BDO Stoy Hayward LLP

- 6.8 None of the Directors nor the Proposed Director has any unspent convictions in relation to indictable offences.
- 6.9 None of the Directors nor the Proposed Director has been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body).
- 6.10 Save as provided below, none of the Directors nor the Proposed Director has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

* Wholly owned subsidiary company of the Company.

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- 6.11 Glyn Hirsch was appointed as a non-executive director of Hay & Robertson PLC on 1 January 2002, a position from which he resigned on 21 July 2003. Hay & Robertson PLC was put into liquidation on 2 February 2004 and wound up on 17 February 2004.
- 6.12 Richard Jewson was appointed as a non-executive director of Lexi Holdings plc on 15 November 2004, a position from which he resigned on 27 April 2006. Lexi Holdings was put into administration on 5 October 2006.
- 6.13 David Moore was appointed as a director of Orion Finance Corporation Limited on 23 May 2006, a position which he still holds. The interests of Orion Finance Corporation are now vested in the security trustee following enforcement action by creditors.
- 6.14 None of the Directors nor the Proposed Director has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership.
- 6.15 No asset of any Director nor the Proposed Director has at any time been the subject of a receivership.
- 6.16 None of the Directors nor the Proposed Director is or has been bankrupt nor been the subject of any form of individual voluntary arrangement.
- 6.17 None of the Directors nor the Proposed Director is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.18 Save as disclosed in this document, there are no outstanding loans or guarantees provided by any member of the Group for the benefit of any of the Directors or the Proposed Director nor are there any loans or any guarantees provided by any of the Directors or the Proposed Director for any member of the Group.

7. Directors', Proposed Director's and Senior Management's service agreements

7.1 *Executive Directors and Proposed Director*

The following agreements have been entered into between each of the Directors and the Proposed Director and the Company:

- 7.1.1 a service agreement dated 9 July 2008 between (1) the Company and (2) Anton Bilton pursuant to which Mr Bilton commenced his employment with the Company on 26 November 2008 and devotes up to three days a week to the Group. The service agreement includes a notice period of 12 months and contains restrictive covenants. The annual salary under Mr Bilton's service agreement is £300,000 and Mr Bilton will be entitled to a discretionary bonus which is to be determined by the remuneration committee;
- 7.1.2 a service agreement dated 9 July 2008 between (1) the Company and (2) Glyn Hirsch pursuant to which Mr Hirsch is employed as the Chief Executive Officer of the Group since 26 November 2008. The annual salary under Mr Hirsch's service agreement is £450,000 and Mr Hirsch is entitled to a discretionary bonus which is to be determined by the remuneration committee. The service agreement includes a notice period of 12 months and contains restrictive covenants;
- 7.1.3 a service agreement dated 29 July 2008 between (1) the Company and (2) Colin Smith, as amended by a supplemental agreement dated 14 November 2008, pursuant to which Mr Smith is employed as Chief Operating Officer of the Group on a full time basis since 14 November 2008. Mr Smith's service agreement includes a notice

period of 12 months and also contains restrictive covenants. His annual salary is £160,000 and he is entitled to a discretionary bonus which will be determined by the remuneration committee; and

- 7.1.4 a service agreement dated 9 July 2008 between (1) Raven Russia (Service Company) Limited and (2) Mark Sinclair, pursuant to which Mr Sinclair is employed as Finance Director of the Group on a full time basis since 26 November 2008. The annual salary under Mr Sinclair's service agreement is £300,000 and Mr Sinclair is entitled to a discretionary bonus which is to be determined by the remuneration committee. The service agreement includes a notice period of 12 months and contains restrictive covenants.

7.2 *Non executive Directors*

Each Non-executive Director has entered into a letter of appointment with the Company. Such letters of appointment are terminable by the Company or the relevant director by giving notice in writing not less than 90 days in advance.

Details of the remuneration for the Company's Non-executive Directors as at the date of this document is as follows:

<i>Director</i>	<i>Annual Fee</i>
Richard Wilson Jewson	£80,000
Christopher Wade Sherwell	£40,000
Stephen Charles Coe	£40,000
David Christopher Moore	£40,000

- 7.3 The aggregate remuneration paid (including pension fund contributions and benefits in kind) to the Directors by members of the Group in respect of the year ended 31 December 2008 was approximately £304,072. Taking into account completion of the Internalisation, it is estimated that the aggregate remuneration (including pension fund contributions and benefits in kind but excluding bonuses) payable to the Directors and the Proposed Director by members of the Group in respect of the current financial year (under the arrangements in force at the date of this document) is expected to be £1,549,000.

8. **The Company and its subsidiaries**

The Company is the holding company of the Group and has the following principal (direct or indirect) subsidiaries:

<i>Name</i>	<i>Country of registration or incorporation</i>	<i>Registered Office</i>	<i>Principal activity</i>	<i>Percentage of issued share capital held by the Company and (if different) proportion of voting power held</i>
Petroestate LLC	Russian Federation	153, letter "N", Leninsky avenue, 196247, Saint-Petersburg, Russian Federation	Property Holding	100
CJSC Kulon Development	Russian Federation	Dorozhnaya str. 3, building 6, 117535, Moscow, Russian Federation	Property Holding	100
CJSC Kulon Estate	Russian Federation	6, Volokolamskoe Shosse, Krasnogorsk, Krasnogorskii district, 143400 Moscow region, Russian Federation	Property Holding	100

<i>Name</i>	<i>Country of registration or incorporation</i>	<i>Registered Office</i>	<i>Principal activity</i>	<i>Percentage of issued share capital held by the Company and (if different) proportion of voting power held</i>
EG Logistics LLC	Russian Federation	Russia, 127550, Moscow, Pryanishnikova Str. 19A, bld.4	Property Holding	50
CJSC Kulon-Istra	Russian Federation	Section 4, 4, Gl. Konstruktora V.I. Adasko Street, Istra town, Moscow Oblast 143500	Property Holding	100
Soyuz - Invest LLC	Russian Federation	4, Fabrichnyi proezd, Klimovsk town, 142180 Moscow region, Russian Federation	Property Holding	50
Reserv - Invest LLC	Russian Federation	4, Fabrichnyi proezd, Klimovsk town, 142180 Moscow region, Russian Federation	Property Holding	50
Real - Invest LLC	Russian Federation	4, Fabrichnyi proezd, Klimovsk town, 142180 Moscow region, Russian Federation	Property Holding	50
Logopark Don LLC	Russian Federation	3, Sholohova str., Aksai town, 346720 Rostovskiy region, Russian Federation	Property Holding	50
Logopark Ob LLC	Russian Federation	26, Krylova str., 630091 Novosibirsk city, Novosibirskiy region, Russian Federation	Property Holding	50
Fenix LLC	Russian Federation	1, Tupikoviy proezd, Krekshino village, Marushkinski rural district, Naro-Fominskii district, 143391 Moscow Region, Russian Federation	Property Holding	100
CJSC Noginsk Vostok	Russian Federation	ZAO "Noginskaya Ptitsefabrika", Oktyabrskaya Street, Noginsk 142401, Moscow Region, Russian Federation	Property Holding	50
Resource Economia LLC	Russian Federation	apt. 21H, building 3A, letter "A", Detskoselsky blvd, Pushkin town, 196600, Saint-Petersburg, Russian Federation	Property Holding	100
Kulon Spb LLC	Russian Federation	24, Liteiniy proezd, Saint-Petersburg, 191028, Russian Federation	Property Holding	50
AKM Logisitics LLC	Russian Federation	49, ul Bol'shaya Morskaya, St. Petersburg, 190000 Russian Federation	Property Holding	50
Raven Russia Property Management Limited	England and Wales	Swan Court, Watermans Business Park, Kingsbury Crescent, Staines, TW18 3BA	Property Advisory	100
Raven Russia Property Advisors Limited	England and Wales	Swan Court, Watermans Business Park, Kingsbury Crescent, Staines, TW18 3BA	Property Management	100
Avalon Logistics LLC	Russian Federation	Russian Federation, 141400 Moscow region, Khimki town, Rabochaya street 2a, building 18	3rd Party Logistics	50
Raven Russia (Service Company) Limited	Guernsey	Regency Court, Glatigny Esplanade, St Peter Port, Guernsey	Group employment company	100

9. Placing arrangements

The Company has entered into the Placing Agreement pursuant to which Numis, as financial adviser, book runner and joint broker and Singer, as joint broker, have agreed to use their respective reasonable endeavours to place up to 50,000,000 Units with institutional and other investors, including certain existing Ordinary Shareholders, in addition to the 75,000,000 Units Invesco have agreed to subscribe for. The Placing is conditional, *inter alia*, on:

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- (a) the passing of the Resolutions at the EGM, details of which are set out in the EGM Notice;
 - (b) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
 - (c) Admission becoming effective by no later than 8.00 a.m. on 25 March 2009, or such later time and/or date (being no later than 8.00 a.m. on 8 April 2009) as the Company and Numis Securities may agree.

If any conditions under the Placing Agreement are not fulfilled or (where capable of waiver) waived on or before 8.00 a.m. on 25 March 2009 (or such later time and date (being no later than 8.00 a.m. on 8 April 2009) as the Company and Numis may agree), any monies held by Numis or Singer will be returned to Placees, without interest, as soon as practicable thereafter.

The Placing Agreement contains customary warranties given by the Company to Numis and Singer as to matters relating to the Group and its business and a customary indemnity given by the Company to Numis and Singer in respect of liabilities arising out of or in connection with the Placing.

Under the Placing Agreement, Numis will receive a commission on 1 per cent. of the aggregate value of Units placed by it with certain existing Ordinary Shareholders and Numis and Singer will each receive a commission of 3 per cent. of the aggregate value of Units placed by them (respectively) with placees who are not such existing Ordinary Shareholders. In addition, the Company has agreed to pay Numis a corporate finance fee of £200,000.

Numis has the right to terminate the Placing Agreement in certain specified circumstances, including where any of the warranties contained therein are or become untrue, inaccurate or misleading in any material respect or a force majeure event or material adverse change in respect of the Group (taken as a whole) occurs prior to Admission.

Application will be made for the Preference Shares and the Warrants to be issued pursuant to the Placing to each be admitted to trading on AIM. It is expected that Admission will become effective and dealings in each of the Preference Shares and the Warrants will commence on AIM on 25 March 2009.

10. Taxation

The following information, which relates only to UK and Guernsey, is applicable to the Company and to persons who are resident or ordinarily resident in the UK or resident in Guernsey and who hold Ordinary Shares and/or Preference Shares and/or Warrants as investments. It is based on the law and practice currently in force in the UK and Guernsey.

The information is not exhaustive and, if any potential investor is in any doubt as to his taxation position, he should consult his professional adviser without delay. Investors should note that tax law and its interpretation can change and that, in particular, the levels and bases of, and reliefs from, taxation may change and such changes may alter the benefits of investment in the Company. These comments do not apply to certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes and Shareholders who have, or are deemed to have, acquired their shares by reason of, or in connection with, an office or employment.

10.1 *Guernsey taxation*

10.1.1 *The Company*

In response to the review carried out by the European Code of Conduct Group, the States of Guernsey has, with effect from 1 January 2008, abolished exempt status for tax purposes for a majority of companies in Guernsey and introduced a zero rate of

tax for companies carrying on all but a few specified types of regulated business (including banking business) or where income is derived from the ownership of land and buildings situated in Guernsey.

The Company is therefore resident for tax purposes in Guernsey and is only subject to the company standard rate of income tax of zero per cent.

A further consequence of the changes to the tax law is that there is now an obligation on the Company, when it makes distributions, and in the case of certain deemed distribution events, to report those events to the Administrator of Income Tax on a six monthly basis and to withhold and account for tax where those distributions are being made to Guernsey tax resident "beneficial members". The deemed distribution withholding only applies to resident individuals with an interest greater than 1 per cent. Subject to the comments in paragraph 10.1.2 below, provided the beneficial member is not resident in Guernsey then the Company's distributions can be paid without further deduction of withholding tax except as indicated above. There is no requirement for the Company to withhold Guernsey tax on any interest payment made.

The States of Guernsey has stated that it may consider further revenue raising measures in 2011/2012, including possibly the introduction of a goods and services tax, depending on the state of Guernsey's public finances at that time.

No capital gains or similar taxes are levied in Guernsey on realised or unrealised gains resulting from the Company's investment activities.

No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares.

10.1.2 *EU Savings Tax Directive*

Although not a Member State of the European Union, Guernsey in common with certain other jurisdictions has agreed to apply equivalent measures to those contained in the EU Savings Tax Directive (2003/48/EC), with the exception that the EU resident individual to whom interest is paid will suffer a retention tax on such payment (currently set at a rate of 20 per cent.) where they have not agreed to exchange certain information about their identity, residence and savings income with the tax authorities in their Member State of residence.

However, no retentions or exchanges of information under the EU Savings Tax Directive as implemented in Guernsey are expected to apply to holdings of Shares where payment in respect of such holdings are made by a Guernsey paying agent.

10.1.3 *Shareholders*

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them.

Non-resident Shareholders will receive dividends without deduction of Guernsey Income Tax.

As already noted above, shareholders who are resident in Guernsey will incur Guernsey income tax on any dividends paid on Shares owned by them.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax, which is proposed for suspension anyway), gifts, sales or turnover, nor are there any estate duties, save for a small *ad valorem* fee for the grant of probate or letters of administration.

10.2 *UK taxation*

10.2.1 *The Company*

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom and so that the Company does not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there). On this basis, the Company should not be liable for United Kingdom taxation on its profits and gains other than certain profits or gains deriving from a United Kingdom source.

10.2.2 *UK Shareholders*

Taxation of dividends

Shareholders who are resident in the United Kingdom for tax purposes may, depending on their circumstances, be liable to UK income tax or corporation tax in respect of dividends paid by the Company (including dividends paid in relation to Preference Shares) whether directly or by way of reinvestment of income.

For Shareholders who are individuals and who are not taxable on the remittance basis, income tax will generally be charged at the rate of 10 per cent. or 32.5 per cent. (if the individual is a higher rate tax payer). Any dividend (including on Preference Shares) will carry a tax credit equal to one ninth of the dividend, provided that the individual's interest in the Company is less than 10 per cent.

For corporate Shareholders, dividends paid by the Company (including in respect of Preference Shares) will generally be subject to UK corporation tax at a rate of 28 per cent. A tax credit is generally given for any tax withheld at source. In addition, a tax credit should also be given for any underlying tax (that is, tax paid on the profits out of which the dividend was paid), provided the relevant corporate Shareholder controls at least 10 per cent. of the voting rights in the Company and certain detailed conditions are satisfied.

It should be noted that the UK Government has recently announced that it intends to alter the rules under which foreign dividends are taxed in the United Kingdom in the near future. Shareholders should seek their own specific advice on how these changes may impact upon them.

Individuals who are taxable on the remittance basis should seek their own advice in relation to the tax treatment of dividends paid by the Company.

Scrip dividends

Generally, a scrip dividend payable by a non-UK resident company is not taxable as income for UK income tax purposes.

Taxation of chargeable gains

In the case of those Shareholders who are individuals or otherwise not within the charge to corporation tax, capital gains tax may be payable on any chargeable gain arising upon a disposal of Ordinary Shares, Preference Shares or Warrants. Any such gain may be subject to tax at a rate of 18 per cent. subject to the availability of relevant reliefs and exemptions. Individual Shareholders are not subject to tax on chargeable gains up to the annual exempt amount. For the 2008/2009 tax year this is £9,600.

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on a disposal of Ordinary Shares, Preference Shares or Warrants. Indexation allowance may apply to reduce any

chargeable gain arising on a disposal of Ordinary Shares, Preference Shares or Warrants but will not create or increase an allowable loss.

Close company

Shareholders who are resident or ordinarily resident for tax purposes in the United Kingdom who hold more than 10% of the Company (either alone or taking into account the interests of persons connected with them), should seek their own separate advice on the basis that in certain circumstances (ie if the company is or becomes a close company for UK tax purposes) a proportion of gains made by the company could be attributable to them under section 13 of the Taxation of the Chargeable Gains Act 1992

Collective investment scheme

The Company should not be regarded as a collective investment scheme for the purposes of section 235 Financial Services and Markets Act 2000. On this basis a shareholding in the Company should not be regarded as a material interest in an offshore fund for the purposes of Sections 756A to 764 (as amended by the Finance Act 2005) of the Income and Corporation Taxes Act 1988 (the "Taxes Act").

It should be noted that the UK Government has recently announced that it intends to alter the rules under which offshore funds are taxed in the United Kingdom. Shareholders should seek their own specific advice on how these changes may impact upon them.

Controlled foreign company

A UK resident corporate Shareholder who, together with connected or associated persons, holds at least a 25 per cent. interest in the Company should note the provisions of the controlled foreign companies legislation contained in Sections 747 to 756 of the Taxes Act. It should be noted that it is envisaged that the UK Government will announce that it intends to alter the rules relating to controlled foreign companies in the near future. Shareholders should seek their own specific advice on how these changes may impact upon them.

Transfer of assets abroad

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of section 739 to 746 of the Taxes Act (and, in particular, the amendments introduced by Section 79 and Schedule 7 of the Finance Act 2006) which may render such individuals liable to tax on the income of the Company (taken before any deduction for interest) in certain circumstance.

Transactions in securities

The attention of investors is drawn to Section 684 of the Income Tax Act 2007 under which HM Revenue and Customs may seek to cancel tax advantages from certain transactions in securities.

10.2.3 Non-UK Shareholders

Shareholders who are not resident or ordinarily resident (or temporarily non resident) in the United Kingdom and do not carry on a trade, profession or vocation through a branch, agency or other form of permanent establishment in the United Kingdom with which Ordinary Shares, Preference Shares or Warrants are connected will not normally be liable to United Kingdom taxation on capital gains arising on the sale or other disposal of Ordinary Shares, Preference Shares or Warrants. However, non-UK Shareholders will need to take specific professional advice about their individual tax position.

10.2.4 *Individual Savings Accounts (“ISA”) and Personal Equity Plans (“PEP”)*

Ordinary Shares, Preference Shares and Warrants in the Company will not be eligible to be held in the stocks and shares component of an ISA or an existing PEP.

10.2.5 *Self-invested Personal Pension Schemes (“SIPPs”)*

HM Revenue & Customs automatically treats SIPPs existing at 6 April 2006 or set up after that date as registered pension schemes. In accordance with HM Revenue & Customs guidance note RPSM07105010 registered pension schemes may invest in equities regardless of whether or not they are quoted on a recognised stock exchange, and therefore Ordinary Shares, Preference Shares and Warrants should be eligible.

10.2.6 *Stamp Duty and Stamp Duty Reserve Tax*

The following comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”) position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply. No UK Stamp Duty or SDRT will be payable on the issue of Preference Shares or Warrants. UK Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Preference Shares or Warrants executed within, or in certain cases brought into, the United Kingdom. Provided that Ordinary Shares, Preference Shares or Warrants are not registered in any register kept in the United Kingdom by or on behalf of the Company any agreement to transfer Ordinary Shares, Preference Shares or Warrants should not be subject to SDRT.

Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.

11. **Material contracts**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

11.1 The Placing Agreement, details of which are set out in paragraph 9 above;

11.2 The Warrant Instrument, details of which are set out in Part 5 of this document;

11.3 Armbridge Share Purchase Agreement: a share purchase agreement dated 30 July 2008 between the Company and Raven Mount pursuant to which the Company purchased a 50 per cent. interest in Armbridge Consultancy Limited for a consideration of £1. In addition, Raven Mount assigned loans made to Armbridge Consultancy Limited, which were for the purposes of funding set up costs and working capital, to the Company in consideration of the payment to Raven Mount in cash of the outstanding principal and interest payable under the loans totalling approximately US\$3.1 million. This was deemed a related party transaction for the Company.

11.4 ***The Framework Agreement***

Raven Mount Holdings plc (now in members’ voluntary liquidation), Russian Property Management Limited, Shieldwave Limited (now Raven Mount), the Company and Raven

Mount plc (now Raven Mount Limited) entered into the Framework Agreement on 9 July 2008, which governed the mechanism by which the Company acquired RRPm and RRPa.

The aggregate consideration paid by the Company for RRPm and RRPa was satisfied by the payment of £18.5 million in cash and the issue of 80 million Ordinary Shares in the Company allocated as to 64 million Ordinary Shares in the Company to the shareholders of Raven Mount plc on the register of members of Raven Mount plc on 10 October 2008 and 16 million Ordinary Shares in the Company to Raven Mount.

Under the terms of the Framework Agreement, Raven Mount plc has giving certain warranties and indemnities to the Company in respect of the business of RRPm and RRPa (with a liability cap of £35 million). The Framework Agreement also includes post-completion restrictive covenants on Raven Mount plc, such as non-complete and non-solicitation of employees.

Owing to the Property Advisory Agreement and Raven Mount's position as owner of RRPm prior to completion of the agreement, the property manager of the Company, Raven Mount was a related party of the Company for the purposes of the AIM Rules for Companies. Therefore, the acquisition of RRPm and RRPa by the Company constituted related party transactions for the purposes of the AIM Rules for Companies.

11.5 *AKM*

11.5.1 A share purchase agreement dated 9 July 2008 between Credence Trading Inc. and Detroit Holdings Limited (a holding company indirectly wholly owned by the Company) pursuant to which the Group purchased 50 per cent. of the issued share capital of the holding company of AKM Logistics. The other 50 per cent. remained with Credence Trading Inc. The consideration for the shares was 50 per cent. of the deemed land value (as defined in the agreement) of the site owned by AKM Logistics. The parties to the share purchase agreement also entered into a joint venture agreement on 9 July 2008 to regulate the development of the site owned by AKM Logistics and the management of the joint venture company.

11.5.2 A credit line agreement dated 21 November 2007 between Nomos Bank and AKM Logistics pursuant to which Nomos Bank has made available to AKM Logistics a credit facility for up to \$48 million from 21 November 2007 to 21 November 2013 for the purpose of financing the construction of a trade-storage complex on the site owned by AKM Logistics. The amount drawn as at December 2008 is \$44 million. The interest payable on the facility is 13 per cent. per annum until 15 February 2008 and 12 per cent. per annum thereafter. The obligations of the borrower are secured by various mortgages, charges, pledges and other customary security interests for the benefit of Nomos Bank.

11.6 *Klimovsk*

A share purchase agreement dated 29 June 2007 between Deanspar Holdings Limited (a holding company indirectly wholly owned by the Company) and Berlanti Trading Limited pursuant to which the Group purchased 50 per cent. of the issued share capital of Arvet Trading Limited. The other 50 per cent. remained with Berlanti Trading Limited. Arvet Trading Limited is the holding company of a number of special purpose entities incorporated in the Russian Federation (including Soyuz - Invest LLC, Reserv - Invest LLC and Real - Invest LLC) which own 49-year renewable lease rights to a site located in the municipality of Klimovsk, Moscow. The parties to the share purchase agreement also entered into a joint venture agreement dated 29 June 2007 (as amended on 28 April 2008) to regulate the development on the site of a logistics and development complex.

11.7 *Krekshino*

- 11.7.1 A share purchase agreement dated 27 June 2007 between Piney Limited (a holding company indirectly wholly owned by the Company) and RED Industrial Limited pursuant to which the Group acquired the entire issued share capital of the holding company of Fenix LLC, the owner of the site located near the village of Krekshino, Moscow Oblast.
- 11.7.2 A facility agreement dated July 2007 between Raven Russia Holdings 10 Limited (a holding company wholly owned by the Company) and Hypo Real Estate Bank International AG (“Hypo Real Estate”) pursuant to which Hypo Real Estate made available to the Group a term loan facility for up to \$89,775,000 for the purpose of on-lending the amounts drawn to Fenix LLC. The amount drawn as at December 2008 was \$88.1 million. The main terms of this facility are as follows:
- (a) The facility is a five year term loan expiring in January 2013.
 - (b) The interest rate payable is LIBOR plus a margin of 2.85 per cent., plus mandatory costs (if any). The Group has entered into separate interest rate agreements to fix the LIBOR element at 3.51 per cent. over the course of the loan.
 - (c) The Group may prepay the whole or any part of the loan (minimum \$1 million) in addition to any break costs, hedging agreement unwind costs and potential fees in order to avoid a breach of any of its covenants.

The obligations of the borrower under this facility are secured by various mortgages, charges, pledges and other customary security interests entered into by various members of the Group for the benefit of Hypo Real Estate. In addition, the Company has given a guarantee and indemnities to Hypo Real Estate in relation to, *inter alia*, losses and damages arising following an event of default (as defined in the facility agreement) from a failure by Fenix LLC to obtain the rezoning of an access road to the site from agricultural land to industrial land. The Company’s aggregate liability under this guarantee is limited to \$30 million. The Company has made the application for rezoning and is expecting to receive the relevant approval in the next 6 months without any material financial cost to the Group.

11.8 *Istra*

- 11.8.1 A share purchase agreement dated 24 May 2007 between Aldama (Overseas) Limited, Aton Real Estate Holding Limited and Nenning Limited (a holding company indirectly wholly owned by the Company) whereby the Group acquired the entire issued share capital of ZAO Kulon-Istra, a company which is developing office and warehouse buildings at a site located in the Istra Region, Moscow Oblast.
- 11.8.2 A loan agreement dated 3 September 2008 and made between Intorla Holdings Limited as lender and ZAO Kulon-Istra as borrower (the “Istra Loan Agreement”).

The main terms of the Istra Loan Agreement are as follows:

- (a) Intorla Holdings Limited made available to ZAO “Kulon-Istra” a facility of up to \$89 million which shall be repayable in full on 8 August 2013 or such other date as agreed between the parties.
- (b) Interest is payable on the amount of the facility outstanding from time to time at the rate of 13 per cent. per annum.

Intorla Holdings Limited is a subsidiary of a company, external to the Group, that entered into a bank facility agreement with Aareal Bank AG for the purpose of financing the Istra Loan Agreement. Various companies of the Group have provided

mortgages, charges, pledges and other customary security interests to Aareal Bank AG in relation to the bank facility agreement.

11.9 *EG Logistics*

A share sale and purchase agreement dated 12 March 2007 between Raven Russia Holdings 4 Limited (a holding company wholly owned by the Company) and EGL Holdings B.V., whereby Raven Russia Holdings 4 Limited purchased 50 per cent. of the issued share capital of EG Russia B.V. On 18 April 2007, the parties entered into a joint venture agreement for the development of a logistics and distribution complex at a site to the north of Moscow close to Sheremetevo Airport.

11.10 *Konstanta*

11.10.1 A share purchase agreement dated 7 February 2007 between Mensazo Trading Limited (a holding company indirectly wholly owned by the Company), National Ventures Enterprises Limited and Real Capital Overseas Limited pursuant to which the Group acquired the entire issued share capital of the holding company of Petroestate LLC, the owner of the property known as Konstanta and located in St. Petersburg, Russia.

11.10.2 A loan agreement dated 20 April 2007 between Spiralpont Limited as lender and Petroestate LLC as borrower, as novated, amended and restated pursuant to a loan transfer agreement dated 20 September 2007 between Spiralpont Limited, Petroestate LLC and HSH Nordbank AG. Pursuant to the loan transfer agreement, HSH Nordbank made available to Petroestate LLC a facility in an amount equal to \$23 million (the "Amended Konstanta Loan") under terms substantially similar to the terms of the term facility agreement dated 14 August 2007 and described in paragraph 11.10.3 below.

11.10.3 A term facility agreement dated 14 August 2007 between HSH Nordbank AG and a wholly owned subsidiary of the Company. The outstanding balance borrowed by the Group under this facility as at December 2008 (including the outstanding balance borrowed under the Amended Konstanta Loan) was \$52 million. The main terms of this facility are as follows:

- (a) The facility is a five year term loan expiring in November 2012.
- (b) The interest rate payable on the aggregate amount of this loan and the Amended Konstanta Loan is LIBOR plus a margin at 5.50 per cent. The Group has entered into an interest rate agreement to cap the LIBOR element of \$30.3 million of the total balance at 5.50 per cent. over the course of the loan.
- (c) The Group may prepay the whole or any part of the loan (minimum \$0.5 million) in addition to any break costs and potential fees in order to avoid a breach of any of its covenants.

The obligations of the borrower under this facility are secured by various mortgages, charges, pledges and other customary security interests entered into by various members of the Group for the benefit of HSH Nordbank AG.

11.11 *Pulkovo I*

A joint venture agreement dated 17 November 2006 as amended and restated on 24 November 2006 between Aldama (Overseas) Limited and Raven Russia Holdings Limited (a holding company wholly owned by the Company) setting out the terms of operation and management of a joint venture company which acquired Kulon Spb LLC pursuant to a sale and purchase agreement dated 24 November 2006. The purpose of the joint venture is to

develop and construct 32,500 sq.m. of warehouse and office space at a site located at Shushary village, St. Petersburg.

11.12 *Sbushari*

A joint venture agreement dated 21 March 2006 between Raven Russia Holdings Limited and KL Holding Aktiengesellschaft in connection with the development, managing and owning of a warehouse and logistics park development on a site located in St. Petersburg and owned by Resource Economia LLC. On 12 April 2006, Raven Russia Holdings Limited acquired 50 per cent. of the issued share capital of the holding company of Resource Economia LLC and on 25 October 2007, it completed the acquisition of the remaining 50 per cent. from its joint venture partner. Following such acquisition, Raven Russia Holdings Limited now indirectly owns the entire issued share capital of Resource Economia LLC.

11.13 *Rostov on Don and Novosibirsk*

11.13.1 A framework agreement dated 14 July 2006 between Raven Russia Holdings 2 Limited (a holding company wholly owned by the Company) and Addington Management Limited pursuant to which the parties have agreed to co-operate and invest in the development of 14 sites identified by Addington Management Limited across the Russian Federation and Belarus. The sites located at Rostov on Don and Novosibirsk, amongst others, are being developed by the parties in accordance with this agreement. The companies developing these sites are Logopark Don LLC for the site located at Rostov on Don and Logopark Ob LLC for the site located at Novosibirsk.

11.13.2 A loan agreement dated 20 June 2008 as amended and restated pursuant to an amendment agreement dated 22 September 2008 between Webfog Limited as lender and Logopark Don LLC as borrower (the "Logopark Don Loan Agreement").

The main terms of the Logopark Don Loan Agreement are as follows:

- (a) Webfog Limited made available to Logopark Don LLC a facility of up to \$370 million divided into four different tranches, which shall be repayable in full by no later than 26 March 2015.
- (b) Interest is payable on the amount of the facility outstanding from time to time at the rate of 13 per cent. per annum.

Webfog Limited is a subsidiary of a company, external to the Group, that entered into a bank facility agreement with VTB Bank Europe Plc for the purpose of financing the Logopark Don Loan Agreement. Various companies of the Group have provided mortgages, charges, pledges and other customary security interests to VTB Bank Europe Plc in relation to the bank facility agreement.

11.13.3 A loan agreement dated 26 August 2008 between Logopark Ob LLC and International Finance Corporation ("IFC") pursuant to which IFC agreed to make available to Logopark Ob LLC three loans as follows: (i) the A Loan being \$35 million; (ii) the B Loan being \$55 million and (iii) the C Loan being \$5 million. The B Loan is an uncommitted facility. The balance drawn and outstanding under these loans as at December 2008 was \$40 million. The interest rates payable on these loans are (i) A Loan: LIBOR plus a margin of 4.75 per cent. until project completion, LIBOR plus a margin of 3.75 per cent. thereafter; and (ii) C Loan: LIBOR plus a margin of 16 per cent. until 15 August 2011, and thereafter LIBOR plus the margin incurred on the A Loan. The obligations of Logopark Ob LLC under this facility are secured by various mortgages, charges, pledges and other customary security interests entered into by various members of the Group for the benefit of

IFC. In addition, the Company has given a guarantee to IFC for all the debts and monetary liabilities of Logopark Ob LLC to IFC in respect of the IFC facility (up to an aggregate amount of \$95 million, of which only \$40 million has been drawn at the date of this document). This guarantee will only come into force if one of the following events occurs by the date indicated: (i) a first ranking security interest in all assets and rights subject to the customary security interests described above (included, but not limited to, the land) is not created and registered in favour of IFC by 31 December 2009; or (ii) Logopark Ob LLC has failed to enter into sufficient lease contracts (at rates acceptable to IFC) that guarantee a capacity utilisation of the Novosibirsk project of not less than 70 per cent. by 31 December 2009; or (iii) the B Loan is not fully syndicated by 1 April 2009. It is the Director's understanding that the requirement to syndicate the B Loan will fall away once the arrangements in relation to the proposed \$40 million facility from the European Bank for Reconstruction and Development as further described in paragraph 8 of Part 1 of this document are finalised. In circumstances where one of the events set out above takes place and the guarantee comes into force, then this of itself will not result in a cash outflow for the Group.

11.14 *Noginsk*

11.14.1 A joint venture agreement dated 5 June 2006 between Aldama (Overseas) Limited and Raven Russia Holdings Limited setting out the terms of operation and management of a joint venture company which acquired ZAO "Noginsk-Vostok" pursuant to a sale and purchase agreement also dated 5 June 2006. Noginsk-Vostok owns the freehold rights to the land situated in the Noginsk District of the Moscow Region where the warehouse known as the Noginsk property is currently under construction.

11.14.2 A loan agreement dated 21 December 2007 and made between Anfirimo Holdings Limited ("Anfirimo") as lender and Noginsk-Vostok as borrower, as amended by an amendment agreement dated 29 February 2008, an amendment agreement dated 12 March 2008 and as amended and restated pursuant to an amendment and restatement agreement dated 8 September 2008 (the "Noginsk Loan Agreement").

The main terms of the Noginsk Loan Agreement are as follows:

- (a) Anfirimo Holdings Limited made three facilities available to Noginsk-Vostok: Facility A up to €49.1 million which shall be repayable on 21 April 2010, Facility B up to €45 million which shall be repayable on 31 December 2010 and Facility C up to €33 million which shall be repayable on 31 December 2010.
- (b) Interest is payable on the amount of the facility outstanding from time to time at the rate of 13 per cent. per annum.

Anfirimo is the subsidiary of a company (external to the Group) that entered into a bank facility agreement with HSH Nordbank AG for the purpose of financing the Noginsk Loan Agreement. The loan to Anfirimo under the bank facility agreement falls due for repayment in October 2009. The Company is assisting Anfirimo with the re-negotiation of this facility, as further described in paragraph 8 of Part 1 of this document. Various companies of the Group have provided mortgages, charges, pledges and other customary security interests to HSH Nordbank AG in relation to the bank facility agreement. However, HSH Nordbank AG does not have any legal recourse against the Company save under a completion guarantee and a cost overrun undertaking both dated 15 July 2008 pursuant to which the Company has given certain guarantees and undertakings to HSH Nordbank AG in relation to the completion of the Noginsk development. The Company's aggregate liability under the completion

guarantee is limited to €23,080,000 and, under the cost overrun undertaking, to 10 per cent. of the development costs as set out in the initial budget. Construction is due to complete shortly, and the Directors believe that the likelihood of a claim pursuant to either the completion guarantee or cost overrun undertaking to be remote.

11.15 *Southern*

11.15.1 A loan agreement dated 22 December 2006 (as amended by an amendment agreement dated 10 April 2007) between Storvo Holdings Limited and Closed Joint Stock Company Kulon Development (“Kulon Development”), an indirect wholly owned subsidiary of the Company and the owner of the property known as Kulon-Southern in Moscow. This loan was novated, amended and restated pursuant to a loan transfer agreement dated 14 June 2007 between Storvo Holdings Limited, Kulon Development and HSH Nordbank AG as supplemented by a supplemental agreement dated 12 October 2007. Under the terms of the loan transfer agreement, HSH Nordbank AG made available to Kulon Development a facility in an amount equal to \$8.5 million (the “Amended Southern Loan”) under terms substantially similar to the terms of the term facility agreement dated 11 May 2007 and described in paragraph 11.16.2 below.

11.15.2 A term facility agreement dated 11 May 2007 between Raven Russia Holdings 3 Limited and HSH Nordbank AG as supplemented by a supplemental agreement dated 10 December 2007. The outstanding balance borrowed by the Group under this facility as at December 2008 (including the outstanding balance borrowed under the Amended Southern Loan) was \$13.1 million. The main terms of this facility are as follows:

- (a) The facility is a five year term loan expiring in December 2012.
- (b) The interest rate payable on this facility is LIBOR plus a margin of 2.99 per cent. The Group has entered into an interest rate agreement to cap the LIBOR element of \$4.8 million of the total balance at 5.50 per cent. over the course of the loan.
- (c) The Group may prepay whole or any part of the loan (minimum \$0.5 million) in addition to any break costs and potential fees in order to avoid a breach of any of its covenants.

The obligations of the borrower under this facility are secured by various mortgages, charges, pledges and other customary security interests entered into by various members of the Group for the benefit of HSH Nordbank AG.

11.16 *Baltia*

11.16.1 A loan agreement dated 22 December 2006 (as amended by an amendment agreement dated 12 April 2007) between Storvo Holdings Limited and Closed Joint Stock Company Kulon Estate (“Kulon Estate”), an indirect wholly owned subsidiary of the Company and the owner of the property known as Kulon-Baltia in Moscow. This loan was novated, amended and restated pursuant to a loan transfer agreement dated 6 July 2007 between Storvo Holdings Limited, Kulon Estate and HSH Nordbank AG as supplemented by a supplemental agreement dated 12 October 2007. Under the terms of the loan transfer agreement, HSH Nordbank AG made available to Kulon Estate a facility in an amount equal to \$16.5 million (the “Amended Kulon Loan”) under terms substantially similar to the terms of the term facility agreement dated 11 May 2007 and described in paragraph 11.17.2 below.

11.16.2 A term facility agreement dated 11 May 2007 between Raven Russia Holdings 3 Limited and HSH Nordbank AG as supplemented by a supplemental agreement

dated 10 December 2007. The outstanding balance borrowed by the Group under this facility as at December 2008 (including the outstanding balance borrowed under the Amended Kulon Loan) was \$22 million. The main terms of this facility are as follows:

- (a) The facility is a five year term loan expiring in December 2012.
- (b) The interest rate payable on this facility is LIBOR plus a margin of 2.99 per cent. The Group has entered into an interest rate agreement to cap the LIBOR element of \$5.9 million of the total balance at 5.50 per cent. over the course of the loan.
- (c) The Group may prepay whole or any part of the loan (minimum \$0.5 million) in addition to any break costs and potential fees in order to avoid a breach of any of its covenants.

The obligations of the borrower under this facility are secured by various mortgages, charges, pledges and other customary security interests entered into by various members of the Group for the benefit of HSH Nordbank AG.

- 11.17 An option agreement dated 25 July 2005, pursuant to which the Company has granted Cenkos Securities Limited the right to subscribe for 1,530,000 Ordinary Shares at 100p per Ordinary Share. Such option is exercisable at any time during the period of five years starting on 29 July 2005. Cenkos Securities Limited also has the right to transfer all or part of its rights to subscribe for Ordinary Shares.
- 11.18 An option agreement dated 25 July 2005, pursuant to which the Company has granted Kinmont Limited the right to subscribe for 382,500 Ordinary Shares at 100p per Ordinary Share. Such option is exercisable at any time during the period of five years starting on 29 July 2005. Kinmont Limited also has the right to transfer all or part of its rights to subscribe for Ordinary Shares.
- 11.19 An option agreement dated 25 July 2005, pursuant to which the Company has granted to Adrian Collins the right to subscribe for 100,000 Ordinary Shares exercisable in three tranches, further details of which is set out in paragraph 3 of this Part 7.
- 11.20 A warrant instrument dated 25 July 2005, pursuant to which the Company granted RRPM the right to subscribe for 7,650,000 Ordinary Shares at 100p per Ordinary Share, such warrant to be exercisable at any time during the period of five years starting on 29 July 2005. RRPM transferred all such warrants to Raven Mount Limited on 31 October 2008.

12. Related party transactions

Other than those material contracts detailed in paragraph 11 above, the following related party transactions are transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of the Group during the period commencing on 1 January 2006 and terminating immediately prior to the date of this document. Each of the transactions was concluded at arm's length.

Invesco's participation in the Placing will comprise a related party transaction for the purpose of the AIM Rules for Companies. In this respect, please see paragraph 11 of Part 1 of this document.

13. Working capital

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account the financing facilities available and the minimum gross proceeds of the Placing of £75 million, the working capital of the Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.

14. Litigation

No member of the Group is or has been involved in any governmental, 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 or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Group.

15. General

- 15.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 June 2008, the date to which the last interim accounts of the Company were prepared.
- 15.2 The estimated costs and expenses relating to the Placing (including those fees and commissions referred to in paragraph 9 above) payable by the Company are estimated to amount to approximately £1.75 million (excluding VAT) which assumes a blended commission rate of 2 per cent. on commissions payable pursuant to the Placing. The maximum net proceeds of the Placing (assuming the Placing is fully subscribed), after settling fees, will be £123.25 million, which will be applied for the purposes set out in Part 1 of this document and for working capital.
- 15.3 Numis Securities Limited is registered in England and Wales under number 02285918 and its registered office is at 10 Paternoster Square, London EC4M 7LT. Numis Securities Limited is regulated by the Financial Services Authority and is acting in the capacity as nominated adviser, financial adviser, book runner and joint broker to the Company.
- 15.4 Numis Securities Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 15.5 Singer Capital Markets Limited is registered in England and Wales under number 5792780 and its registered office is at One Hanover Street, London W1S 1AX. Singer Capital Markets Limited is regulated by the Financial Services Authority and is acting in the capacity as joint broker to the Company.
- 15.6 Singer Capital Markets Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 15.7 BDO Novus Limited of Elizabeth House, St. Peter Port, Guernsey GY1 3LL and BDO Stoy Hayward LLP of Emerald House, East Street, Epsom, Surrey KT17 1HS were the auditors of the Company for the financial period ended 31 December 2005 and the financial years ended 31 December 2006 and 31 December 2007. BDO Novus Limited and BDO Stoy Hayward LLP both resigned as auditors on 2 December 2008.
- 15.8 Save as otherwise disclosed in this document there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.
- 15.9 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 15.9.1 received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or
 - 15.9.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, any of the following:
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15.9.2.1 fees totalling £10,000 or more;

15.9.2.2 securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

15.9.2.3 any other benefit with a value of £10,000 or more at the date of Admission.

16. Documents available for inspection

Copies of the memorandum of association of the Company and the Existing Articles will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA up to and including the EGM.

Dated 25 February 2009

NOTICE OF EXTRAORDINARY GENERAL MEETING

RAVEN RUSSIA LIMITED

(the "Company")

(Incorporated in Guernsey with registered number 43371)

Notice is hereby given that an extraordinary general meeting of the Company will be held at the Company's registered office, Regency Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 3ST at 10.00 a.m. on 24 March 2009 for the purpose of considering and, if thought fit, passing the following resolutions which will in the case of resolution 1 be proposed as a special resolution and in the case of resolution 2 will be proposed as an ordinary resolution.

1. SPECIAL RESOLUTION

Subject to and conditional upon the placing agreement dated 17 February 2009 between the Company, Numis Securities Limited and Singer Capital Markets Limited (the "**Placing Agreement**") becoming unconditional (save for any condition relating to Admission (as defined in the circular of the Company to its shareholders dated 25 February 2009 (the "**Circular**") to which this notice is attached)) and not having been terminated in accordance with its terms prior to Admission:

- (a) the authorised share capital of the Company be and is hereby increased from £10,000,000 to £19,000,000 by the creation of an additional 500,000,000 ordinary shares of 1 pence each ("**Ordinary Shares**") and 400,000,000 cumulative redeemable preference shares of 1 pence each ("**Preference Shares**"), in each case having the rights and being subject to the restrictions set out in the articles of incorporation of the Company to be adopted pursuant to paragraph 1(e) below (the "**Articles**");
- (b) the board is authorised (including but not limited to for the purposes of the possible offer by the Company for Raven Mount Group plc and the proposed placing of Preference Shares and warrants to subscribe for Ordinary Shares on the terms of a warrant instrument to be entered into by the Company on or before Admission ("**Warrants**") (all as described and summarised in the Circular)) to issue up to (i) 400,000,000 Ordinary Shares (ii) 400,000,000 Preference Shares and (iii) 275,000,000 Warrants (including, and in addition to the authority in (i), 275,000,000 Ordinary Shares on the exercise of such Warrants), which authority shall expire on 23 March 2014, save that the Company may, before such expiry, make an offer or agreement which would, or might, require such shares or Warrants to be issued after such expiry and the directors may issue such shares or Warrants in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;
- (c) the Company's directors be and are hereby authorised, in accordance with Article 5.1 of the Articles (and in substitution for the existing authority previously conferred in respect of equity securities) to allot equity securities (as defined in the Articles) for cash as if Article 5.1 did not apply to any such allotment, such authorisation being limited to the allotment of:
 - (i) up to 210,000,000 Warrants; and
 - (ii) other than pursuant to sub-paragraph 1(c)(i) above, the allotment of equity securities up to an aggregate nominal amount of £1,250,000,

and such power shall expire on 23 March 2014, save that the Company may, before such expiry, make an offer or agreement which would, or might, require equity

securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;

- (d) pursuant to Article 10 of the Articles and in accordance with section 315 of the Law and in substitution for any existing authority previously conferred, the Company be and is hereby generally and unconditionally authorised to make market acquisitions (as defined by section 316 of the Law) of up to 100,000,000 Ordinary Shares. The minimum price (exclusive of expenses) which may be paid for an Ordinary Share pursuant to such authority is £0.01 and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the closing middle market quotation for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased. This authority shall expire 18 months from the date of this resolution unless such authority is renewed prior to such time and the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract; and
- (e) the new articles of incorporation in the terms presented to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting, be adopted as the articles of incorporation of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

2. **ORDINARY RESOLUTION**

Subject to and conditional upon resolution 1 above being duly passed, the proposed changes to the “Raven Russia Limited 2008 Unapproved Employee Share Option Scheme” as described in the Circular (the “**Scheme**”) be approved and the board of the Company (or a committee thereof) be and is hereby authorised to (i) make such further changes it may consider in its absolute discretion necessary, appropriate or desirable to the terms of the Scheme and (ii) make such arrangements as it considers in its absolute discretion necessary, appropriate or desirable in connection with the implementation of the Scheme.

Dated: 25 February 2009

By Order of the Board
Barclays Wealth Fund Managers (Guernsey) Limited
Secretary

Registered in Guernsey no 43371 Registered Office: P.O. Box 671, Level 1, Regency Court, Gategny Esplanade, St. Peter Port, Guernsey GY1 3ST

Notes

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and speak and, on a poll, vote instead of him. You may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A proxy need not be a member of the Company but must attend the meeting to represent you.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company's transfer agent, Capita Registrars, The Registry, Proxies Department, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 10.00 a.m. on 22 March 2009.
3. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
4. The Company, pursuant to Article 130.2 of the existing articles of association of the Company, specifies that only those members entered on the register of members of the Company as at 10.00 a.m. on 22 March 2009 shall be entitled to attend or vote at the EGM in respect of shares registered in their name at that time. Changes to entries on the register after 10.00 a.m. on 22 March 2009 shall be disregarded in determining the rights of any person to attend or vote at the EGM.

