THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you are recommended immediately to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please forward this document together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Arbuthnot Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to the Company and no one else in connection with the proposals described in this document and accordingly will not be responsible to any person other than the Company for providing the protections afforded to clients of Arbuthnot Securities Limited or for providing advice in relation to such proposals.

EUROPEAN EQUITY TRANCHE INCOME LIMITED

(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registration number 44552)

Notice of Extraordinary General Meeting

Proposed waiver of the mandatory offer provisions in The City Code on Takeovers and Mergers, proposed issue of Ordinary Shares at a price below Net Asset Value, proposed consolidation of Ordinary Shares and de-listing from the Channel Islands Stock Exchange

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This document should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 30 June 2008, a copy of which was sent to Shareholders on Friday, 19 December 2008.

Notice of an Extraordinary General Meeting of the Company to be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ on 5 February 2009 at 11.00 a.m. is set out at the end of this document.

A Form of Proxy for use by Shareholders at the Extraordinary General Meeting of the Company is enclosed with this document. To be valid, the Form of Proxy must be completed, executed and returned in accordance with the instructions printed thereon so as to be received by the Company's agent, for this purpose being Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 3WX by not later than 11.00 a.m. on 3 February 2009. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the EGM in person should they wish to do so.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2009
Publication of this document	16 January
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 3 February
Extraordinary General Meeting	11.00 a.m. on 5 February
Announce result of EGM and Placing	5 February
Ordinary Shares de-listed from the CISX	6 February
Admission effective and dealings in the new Ordinary Shares commence on AIM	6 February
CREST accounts to be credited with new Ordinary Shares	6 February
Consolidation Record Date	6.00 p.m. on 13 February
Consolidation effective	7.00 a.m. on 16 February
CREST accounts to be credited with Consolidated Shares	16 February
Definitive share certificates for the Consolidated Shares despatched	Week commencing 23 February

All dates set out in the timetable above may be adjusted by the Company and Arbuthnot Securities, in which event details of the new dates will be notified to AIM, and where appropriate, to Shareholders. All references are to London time.

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise:

"2008 Annual Report and Accounts"	the annual report and accounts of the Company for the year ended 30 June 2008 containing, *inter alia*, the report of the Directors
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies which set out the rules and responsibilities in relation to companies whose securities are admitted to trading on AIM
"Arbuthnot Securities"	Arbuthnot Securities Limited
"Articles"	the articles of incorporation of the Company
"Associate"	in relation to any company, that company's parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies. For this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status
"Business Day"	any day which is not a Saturday or Sunday or a bank or other public holiday in England or Guernsey
"CISX"	the Channel Islands Stock Exchange, LBG
"Citibank"	Citibank, N.A. London Branch
"City Code"	The City Code on Takeovers and Mergers
"Company" or "EETI"	European Equity Tranche Income Limited
"Concert Party"	Scribona Nordic and the other persons which the Takeover Panel has confirmed are deemed to be acting in concert for the purposes of the City Code, details of which are set out in paragraph 3 of Part II of this document
"Consolidated Shares"	the Ordinary Shares following the Consolidation
"Consolidation"	the proposed consolidation of the Ordinary Shares into Consolidated Shares, as described in this document on the basis of one Consolidated Share for every 100 Ordinary Shares
"Consolidation Record Date"	6.00 p.m. on 13 February 2009, or such other time and date following the Placing and Subscription Agreement becoming unconditional as the Directors may determine
"Daily Official List"	the Daily Official List of London Stock Exchange
"Debt Purchase Agreement"	the debt purchase agreement entered into between Citibank, Scribona Nordic and the Company dated 12 December 2008
"Directors" or "Board"	the directors of the Company whose names appear on page 7 of this document

"EGM or "Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held on 5 February 2009 at 11.00 a.m. convened by the notice set out at the end of this document
"Facility Agreement"	the facility agreement entered into between the Company and Citibank dated 20 December 2006 (as amended on 25 July 2007 and as amended and restated on 17 December 2007 and 12 December 2008)
"Form of Proxy"	the form of proxy accompanying this document for use at the EGM
"Independent Shareholders"	the Shareholders other than any Shareholder who is a member of the Concert Party
"London Stock Exchange"	London Stock Exchange plc
"Ludgate Residual Note"	a niche prime RMBS investment by the Company
"Net Asset Value"	the value of the Company's assets minus the value of the Company's liabilities determined in accordance with the Company's accounting policies from time to time
"Ordinary Shares"or "Shares"	the ordinary shares of no par value in the capital of the Company
"Placing"	the non pre-emptive placing of the Placing Shares with certain existing Shareholders, including members of the Concert Party, pursuant to the Placing and Subscription Agreement
"Placing and Subscription Agreement"	the placing and subscription agreement entered into between the Company, Scribona Nordic and Arbuthnot Securities dated 12 December 2008, as amended
"Placing Shares"	up to 400,000,000 new Ordinary Shares proposed to be issued pursuant to the Placing
"Resolutions"	the resolutions to be proposed at the EGM, the full text of which is set out in the notice of EGM set out at the end of this document
"RMBS"	Residential Mortgage Backed Security
"Rule 9 Waiver"	the waiver of the obligation to make a general offer under Rule 9 of the City Code which has been granted to the Concert Party by the Takeover Panel subject to the passing of the Waiver Resolution
"Scribona"	Scribona AB incorporated and registered in Sweden with registered number 556079-1419 and whose registered office is at Röntgenvägen 7, Box 1374, SE-171 27 Solna, Sweden
"Scribona Directors"	the directors of Scribona as listed in paragraph 2(b) of Part II of this document
"Scribona Group"	Scribona and its subsidiaries (including Scribona Nordic)

"Scribona Investment"	527,000,000 new Ordinary Shares proposed to be issued to Scribona Nordic pursuant to the Placing and Subscription Agreement, together with such of the Placing Shares as are not allotted and issued to existing Shareholders pursuant to the Placing
"Scribona Nordic"	Scribona Nordic AB incorporated and registered in Sweden with registered number 556064-2018 and whose registered office at Röntgenvägen 7, Box 1374, SE-171 27 Solna, Sweden
"Sestante Loans"	a prime RMBS investment by the Company
"Shareholders"	the holders of Ordinary Shares
"Subscription and Placing Resolution"	the ordinary resolution voted on by way of a poll to approve the de-listing from the CISX, to allow the Company to issue 927,000,000 Ordinary Shares at an issue price below the Net Asset Value per Ordinary Share and to approve the Consolidation to be proposed at the EGM and set out in the notice of EGM set out at the end of this document
"Takeover Panel"	the Panel on Takeovers and Mergers
"Transaction"	the proposed capital restructuring including the conversion by Scribona Nordic of €5.6 million of debt to new Ordinary Shares, the Placing and the Consolidation
"Waiver Resolution"	the ordinary resolution voted on by way of a poll by the Independent Shareholders concerning the waiver of the obligation of the Concert Party under Rule 9 of the City Code, which would otherwise arise as a result of the Scribona Investment, to be proposed at the EGM and set out in the notice of EGM set out at the end of this document.

PART I

LETTER FROM THE CHAIRMAN

European Equity Tranche Income Limited

(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registration number 44552)

Directors	*Registered Office*
Robin Monro-Davies *(Non-executive Chairman)*	Anson Place
Leslie Goodman *(Non-executive director)*	Mill Court
John Le Prevost *(Non-executive director)*	La Charroterie
Tanguy Boullet *(Non-executive director)*	St Peter Port
Juan de Dios Sanchez-Roselly Moreno *(Non-executive director)*	Guernsey
	Channel Islands
	GY1 1EJ

16 January 2009

To the holders of Ordinary Shares

Dear Shareholder

Notice of Extraordinary General Meeting

Proposed waiver of mandatory offer provisions in The City Code on Takeovers and Mergers, proposed issue of Ordinary Shares at a price below Net Asset Value, proposed consolidation of Ordinary Shares and de-listing from the CISX

Introduction

On 12 December 2008, the Company announced that it had entered into agreements in relation to a proposed capital restructuring intended to reduce substantially its level of debt whilst retaining potential value for existing Shareholders. The capital restructuring includes:

(i) the purchase by Scribona Nordic from Citibank of all outstanding commitments, rights and obligations in relation to the €30 million of debt owed by the Company to Citibank under its existing Facility Agreement;

(ii) the conversion by Scribona Nordic of €5.6 million of debt to new Ordinary Shares at €0.0111 per Share;

(iii) a non pre-emptive placing of new Ordinary Shares with certain existing Shareholders at a price of €0.0111 per Share to raise up to €4.4 million, underwritten by Scribona Nordic, where the relevant subscription monies will be applied by the Company in prepayment of debt owed to Scribona Nordic; and

(iv) the release by Scribona Nordic of the Company from its obligations under the Facility Agreement to repay approximately €14.3 million of debt.

In order to implement the proposed capital restructuring, it is necessary to obtain a number of Shareholder approvals including:

(i) approval of the issue of Ordinary Shares outlined above at a discount to the prevailing Net Asset Value per Share;

(ii) approval of de-listing from the CISX to save the costs and expenses in relation to such a listing; and

(iii) waiver by the Independent Shareholders of Rule 9 of The City Code (in order to avoid the Concert Party being obliged to make a mandatory offer for all of the Company's Ordinary Shares, which it would otherwise be obliged to do as the Concert Party will acquire over 30 per cent. of

the voting rights of the Company by way of the implementation of the proposed capital restructuring).

While the purchase of the Citibank debt by Scribona Nordic described above became effective on 12 December 2008, the other elements of the proposals are conditional, *inter alia*, upon the passing of all relevant Shareholder resolutions.

As part of the arrangements, the Company will also seek approval for a consolidation of Ordinary Shares (including all new Ordinary Shares to be issued upon implementation of the proposed capital restructuring) to enable the Company's Ordinary Shares to trade at a price which the Directors believe is more likely to lead to a reduction in the bid offer spread and an improvement in liquidity.

The purpose of this document is to provide you with full details of the proposed capital restructuring, to explain why your Board considers the proposals to be in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions required to implement the proposals at the EGM scheduled to take place on 5 February 2009.

Background

During the course of 2008 there was a general deterioration in market conditions affecting the Company's investments. As a result, the Board felt it necessary to record significant downward fair value adjustments against certain of the assets within the Company's portfolio such as the Sestante Loans and the Ludgate Residual Note. As a result of these fair value adjustments, the Company's Net Asset Value reduced significantly during 2008 and amounted to €32.6 million as at 30 September 2008.

In relation to the Company's debt financing, the Board has referred on a number of occasions to its objective of securing stable, long term financing to replace its €70 million facility taken out with Citibank in 2006, which included a term out option to extend until December 2009. However, this has not proved possible in light of the conditions in the debt markets. Furthermore, as market conditions deteriorated in 2008, the Company actively explored options with existing Shareholders and potential third party investors regarding a reduction in the Company's level of debt in order to create a more appropriate capital structure.

Importance of the proposed capital restructuring

The Company announced on 12 November 2008 that if it could not develop firm debt reduction proposals within the following weeks it was unlikely to be able to continue as a going concern. In particular, the Company was unable to satisfy the conditions necessary to enable it to make use of the term out option under the Facility Agreement. This resulted in the Company's debt under the Facility Agreement becoming repayable on 15 December 2008 and the Board did not see any prospect of being able to refinance this debt by that date. The only firm proposals that the Company received were those from Scribona Nordic described in this document and these were acceptable to Citibank.

As a result, the Board's view was that if it did not enter into the agreements with Scribona Nordic described in this document the Company would be unable to meet its debts as they fall due, leading to the likelihood of immediate and enforced realisation of assets at a heavily discounted price by the secured lender and/or the Company entering into a formal insolvency process. Furthermore, if Shareholders do not vote in favour of the Resolutions, then the proposed release of debt, conversion of debt to equity and issue of new Ordinary Shares will not take place and the Company will continue to owe approximately €30 million under the new Facility Agreement entered into with Scribona Nordic. Accordingly, the Company will be unable to meet its obligations as they fall due, again leading to a likely immediate secured lender enforcement and/or insolvency proceedings. In such an event, and depending on the valuation the lender attaches to the Company's assets at the time, it is conceivable that Shareholders would be unlikely to receive any return of capital they have previously invested.

Proposed debt facility

The Company announced on 12 December 2008 that it had entered into a Debt Purchase Agreement with Scribona Nordic and Citibank, pursuant to which Scribona Nordic has agreed to acquire the

outstanding commitments, rights and obligations in relation to the debt owed by the Company to Citibank under the existing Facility Agreement, and pursuant to which the Company gave its consent to the transfer of its debt to Citibank.

As a condition to the transfer of the existing debt from Citibank to Scribona Nordic, Scribona Nordic agreed to the repayment date under the Facility Agreement being extended to 15 December 2009. The interest payable under the terms of the Facility Agreement is EURIBOR + 5 per cent. per annum.

As part of the placing and subscription arrangements described below, Scribona Nordic has agreed to waive such amount of the facility provided under the Facility Agreement as has the result that, as at completion of the proposed capital restructuring, the sum outstanding under the Facility Agreement will amount to approximately €5.7 million.

Furthermore, until such waiver of debt and subscription for new Ordinary Shares by Scribona Nordic and other Shareholders, Scribona Nordic has agreed that the financial covenants in the Facility Agreement will not apply.

Further details of the Debt Purchase Agreement are set out in paragraph 6.1 of Part II of this document.

Proposed issue of Ordinary Shares

On 12 December 2008 the Company also entered into a Placing and Subscription Agreement with Scribona Nordic and Arbuthnot Securities pursuant to which Scribona Nordic and certain existing Shareholders may subscribe for Ordinary Shares as follows:

(a) Scribona Nordic has agreed to subscribe for 500 million Ordinary Shares at a price of €0.0111 per Ordinary Share with Scribona Nordic's obligation to subscribe for such Ordinary Shares being satisfied by the Company setting off the subscription price against €5.6 million of debt owed by the Company to Scribona Nordic.

(b) Arbuthnot Securities has agreed, as agent for the Company, to use its reasonable endeavours to procure certain existing Shareholders to subscribe on a non pre-emptive basis for 400 million new Ordinary Shares at a price of €0.0111 per Share, the placing proceeds to be used to pay off debt owed by the Company to Scribona Nordic. Such placing has been underwritten by Scribona Nordic. To the extent that Scribona Nordic is required to subscribe as principal for these new Ordinary Shares, its obligation to pay the subscription price will be satisfied by the Company setting off the subscription price against the equivalent amount of debt owed by the Company to Scribona Nordic.

Scribona Nordic has agreed to write off so much of the remainder of the Company's debt as will leave the sum outstanding under the Facility Agreement at approximately €5.7 million.

Scribona Nordic will be paid a commission of €299,700 in relation to its underwriting, to be satisfied by the issue to it of 27 million further new Ordinary Shares at €0.0111 each. The payment of this commission is conditional on admission to trading on AIM of the new Ordinary Shares which, *inter alia*, requires the Resolutions to be passed by Shareholders at the EGM.

Each of Scribona Nordic's and Arbuthnot Securities' obligations under the Placing and Subscription Agreement are conditional on, *inter alia*:

(i) passing of the Resolutions;

(ii) the Placing and Subscription Agreement not having been terminated;

(iii) admission of the new Ordinary Shares, to be issued pursuant to the Placing and Subscription Agreement, to trading on AIM occurring by 16 February 2009; and

(iv) de-listing of the Company's Ordinary Shares from the CISX.

The Company has given customary warranties and indemnities to Scribona Nordic and Arbuthnot Securities in the Placing and Subscription Agreement.

Scribona Nordic is entitled to terminate the Placing and Subscription Agreement if there is a material breach by the Company of that agreement and/or of any of the warranties given by the Company in that agreement.

Further details of the Placing and Subscription Agreement are set out in paragraph 6.2 of Part II of this document.

Certain of the Directors, all of whom are existing Shareholders, have indicated that they wish to subscribe for Ordinary Shares in the Placing as follows:

Director	*Number of Ordinary Shares*	*Resulting percentage holding of enlarged share capital following the Placing*
Robin Monro-Davies	9,459,183	1.02
John Le Prevost	1,350,000	0.13

Information on the Concert Party

The Concert Party comprises Scribona, Scribona's Directors, Scribona Nordic and certain other affiliated entities of certain of the Scribona Directors as out lined in Part II of this document.

Scribona, the parent company of Scribona Nordic, was formed in 1992 and is based in Solna, Sweden. Prior to the recent sale of all of its operating activities to Tech Data in May 2008, Scribona was the leading distributor of IT products in the Nordic region.

As at 30 September 2008, Scribona had net financial assets amounting to SEK 555 million and cash equivalents of SEK 548 million. On 16 January 2009 Scribona began trading on the First North market, an alternative market operated by the different exchanges within OMX, having previously been listed on the Swedish OMX market.

Your attention is drawn to paragraph 3 of Part II of this document which contains further information relating to the Concert Party.

Consolidation

In order to enable the Company's Ordinary Shares to trade at a price which the Directors believe is more likely to lead to a reduction in the bid offer spread and an improvement in liquidity, as part of the proposed capital restructuring, the Company also proposes, subject to Shareholder approval at the EGM, to effect a share consolidation to reduce the number of Ordinary Shares in issue. The Consolidation is expected to become effective on Monday 16 February 2009, or such other date as the Board in its absolute discretion may determine.

At present, the Company has authority to issue an unlimited number of Ordinary Shares and has 98 million Ordinary Shares in issue as at 15 January 2009 (being the latest practicable date prior to publication of this document). Following the issue of the Placing Shares and the Scribona Investment, the Company would have (prior to the Consolidation) 1,025 million Ordinary Shares in issue. It is proposed that the Consolidation will consist of the following steps:

(i) every 100 Ordinary Shares in issue (or such number as will result in a whole number of Consolidated Shares, the balance of the existing Ordinary Shares held by each member being dealt with as provided in (ii) below) will be consolidated into one new Consolidated Share of no par value; and

(ii) fractional entitlements arising out of the Consolidation by reason of there being less than 100 Ordinary Shares or a number not divisible by 100 shall be aggregated into Consolidated Shares and the whole number of Consolidated Shares so arising shall be sold in the market and the net proceeds of sale held for the benefit of the Company.

Subject to the Consolidated Shares being admitted to trading on AIM, Shareholders who are on the register on the Consolidation Record Date will have their holdings consolidated. Although Shareholders will receive a smaller number of Consolidated Shares following the Consolidation, the size of each shareholding as a proportion of the total number of Ordinary Shares in issue will not change, other than in respect of fractional entitlements, and each Consolidated Share will carry the same rights as set out in the Articles that currently attach to the existing Ordinary Shares. As a result, Shareholders who own less than 100 Ordinary Shares shall, upon the Consolidation becoming effective, cease to own any Ordinary Shares and shall not receive any compensation.

The Consolidation is conditional on the Resolutions (as set out in the notice of EGM at the end of this document) being passed.

It is anticipated that the Consolidation will become effective on 16 February 2009, that share certificates in respect of Consolidated Shares will be issued and despatched in the week commencing 23 February 2009 and that CREST holders will have their CREST accounts credited with their holdings of Consolidated Shares on 16 February 2009. On despatch of the new certificates, any existing certificates will become valueless and should be destroyed. Temporary documents of title will not be issued and, pending despatch of definitive share certificates, transfers of Consolidated Shares held in certificated form will be certified against the register.

New Guernsey regulatory regime

Following recent changes to the regulatory regime in Guernsey, the Board has decided that the Company will, for Guernsey regulatory purposes, elect to become a registered closed-ended investment scheme in order to take advantage of the lower burden of ongoing regulation imposed on it by Guernsey regulation. Upon the election becoming effective, Shares will not be permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. These changes are, in general, administrative in nature and do not reduce the level of supervision afforded to the Company by the Directors at the present time.

Resolutions

The following Resolutions are proposed at the EGM and the Placing and Subscription Agreement and proposed amendments to the Facility Agreement are conditional on the passing of these Resolutions.

Resolution 1 – de-listing from the CISX, authority to issue Shares at a price below Net Asset Value and consolidation of Shares

Conditional on the passing of the Waiver Resolution, the Company is seeking the approval of Shareholders for the proposed de-listing of the Ordinary Shares from the CISX, for the issue of 927,000,000 new Ordinary Shares at a price of €0.0111 per Share, which is less than the prevailing Net Asset Value per Share as at 30 September 2008 of €0.3322 and for a consolidation of its Ordinary Shares on the basis of one Consolidated Share for every 100 Ordinary Shares in issue, to take effect ten days after (but not including) the date on which the Placing and Subscription Agreement becomes unconditional, or if such day is not a Business Day, on the following Business Day, or on such other date as the Board in its absolute discretion may determine.

Resolution 2 – waiver of the obligation to make a mandatory offer under Rule 9 of the City Code

The Company is seeking the approval of Independent Shareholders of the waiver of certain obligations which will arise under the City Code following the implementation of the above proposals and the Placing.

Under Rule 9 of the City Code, when any person:

(a) acquires an interest in shares (as defined in the City Code) which, taken together with shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code; or

(b) together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any further shares,

such a person is normally required to make a general offer to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. An offer under Rule 9 of the City Code 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 interest in shares in the company during the 12 months prior to the announcement of the offer. Where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the City Code applies, acquires interests in additional voting shares, then they will not generally be required to make a general offer to the other shareholders to acquire their shares, although individual members of the concert party will not be able to increase their percentage interest in shares through a Rule 9 threshold without the consent of the Takeover Panel.

Under the City Code, a concert party arises where persons act together pursuant to an agreement or understanding (whether formal or informal) to co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether such interest, or interests, give *de facto* control.

Scribona, Scribona's Directors, Scribona Nordic and certain other affiliated entities of certain of the Scribona Directors are considered by the Takeover Panel to comprise a concert party for the purposes of the City Code. In total, the combined interest in Ordinary Shares of the Concert Party at the date of this document is 2,705,000 Ordinary Shares, representing approximately 2.76 per cent. of the Company's issued share capital as at 15 January 2009 (being the last practicable date prior to the posting of this document). Further details of the Concert Party are set out in paragraphs 3 and 4 of Part II of this document.

Certain members of the Concert Party, all of whom are existing Shareholders, have indicated that they wish to subscribe for Ordinary Shares in the Placing as follows:

	Current holding of Ordinary Shares	*Current percentage holding*	*Number of Placing Shares*	*Resulting percentage holding of enlarged share capital following the Placing*
Bronsstädet AB	1,255,000	1.28	55,000,000	5.49
Union Discount Company Limited	450,000	0.46	10,000,000	1.02
Leeds Group plc	1,000,000	1.02	20,000,000	2.05

On the basis that the issued share capital of the Company is 98,000,000 Ordinary Shares (being the issued share capital of the Company at 15 January 2009 (being the latest practicable date prior to the publication of this document)) and assuming that the Subscription and Placing Resolution is passed at the EGM, as a result of the Scribona Investment, the Concert Party's interest in Ordinary Shares would increase to 60.0 per cent. of the voting share capital of the Company (in the event that Scribona Nordic is not required to subscribe for any of the Placing Shares but the Concert Party and Directors subscribe for Placing Shares, as referred to above) and 89.6 per cent. of the voting share capital of the Company (in the event that Scribona Nordic is required to subscribe for all of the Placing Shares other than those for which the Concert Party and the Directors intend to subscribe, as referred to above).

Your Board has consulted with the Takeover Panel, which has agreed, subject to the independent shareholders voting on a poll at the EGM to approve the Waiver Resolution, to waive any obligation that would otherwise arise, under Rule 9 of the City Code for the Concert Party to make a general offer for the Ordinary Shares which they do not already hold.

All Shareholders who are members of the Concert Party will not be entitled to vote on the Waiver Resolution at the Extraordinary General Meeting.

Since the Concert Party will hold more than 50 per cent. of the Ordinary Shares following implementation of the proposed capital restructuring, they and any other persons acting in concert with them will be free to acquire any number of Ordinary Shares without incurring any obligation under Rule 9 of the City Code to make a general offer for the Company. However, any individual person (whether or not a member of the Concert Party) who acquires additional Ordinary Shares and, as a result of such acquisition, holds 30 per cent. or more of the Ordinary Shares will (without the Takeover Panel's consent) incur an obligation under Rule 9 of the City Code to make a general offer for the Company.

Intentions of the Concert Party

The members of the Concert Party have confirmed to the Company that they have no intention for the time being to seek any change in the composition of the Company's board, however Lorenzo Garcia, the CEO of Scribona, intends to seek to be invited to be appointed as a director of the Company.

The members of the Concert Party have also confirmed that they have no intention for the time being to change the general nature of the Company's business or its investment policy or the locations of the Company's places of business and they furthermore confirm that the Company's management will not be altered as a result of the Scribona Investment nor will there be any redeployment of the fixed assets of the Company as a result of the Scribona Investment.

Financial information on the Company

Financial information on the Company for the two years ended 30 June 2008 together with the Chairman's statement and report of the investment manager was sent to Shareholders on Friday 19 December 2008 and is available for download on the Company's website at www.eeti.co.uk. Shareholders may request a copy of the 2008 Annual Report and Accounts from the Company's registered office located at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX.

Financial information on the Scribona Group

On 4 March 2008, it was announced that Scribona had signed an agreement for the sale of its operating activities to Tech Data. The transaction was approved by the EU Competition Authority on 28 April 2008 and by Scribona's stockholders at the AGM on 29 April 2008. The sale was completed on 19 May 2008. Following such sale, Scribona's new board of directors elected by the Extraordinary General Meeting held on 21 August 2008 adopted the following new focus and business mission for Scribona:

"Scribona shall directly, indirectly or together with partners, conduct property-related operations, project development of properties and trading of properties in Europe, with the objective of obtaining a sound and stable return on invested capital. Risks associated with the property investments will be diversified with regard to both property types and geographic location. Because the global financial crisis will continue to affect the real estate market, and therefore also the rate of investment, the company's operations in the coming months will be focussed more on management of the company's liquid assets."

The total purchase price for the sale of Scribona's operating activities to Tech Data amounted to SEK 504 million, of which the premium over carrying value was SEK 141 million. The first three instalments, equal to 85 per cent. of the purchase price, in a total amount of SEK 410 million after deduction of certain settlements, were received in May, June and July 2008 and the final instalment of the purchase price equal to 15 per cent. or SEK 71 million after deduction of certain settlements, was paid on 19 November 2008. Wind-down costs were estimated as at 30 September 2008 at SEK 111 million. The net of the premium and wind-down costs was estimated as at 30 September 2008 at SEK 30 million. The winding-down of Scribona is proceeding according to plan.

The interim report for the Scribona Group for the period 1 January to 30 September 2008 describes net sales for the Scribona Group for that period having reached SEK 2,670 million, with net sales for the third quarter (following the sale of Scribona's operating activities to Tech Data) being SEK 0 million.

Net financial assets as at 30 September 2008 totalled SEK 555 million. Cash and cash equivalents as at 30 September 2008 amounted to SEK 548 million and were primarily placed on special deposit in Swedish banks. The consolidated balance sheet as at 30 September 2008 for the Scribona Group is as follows:

	30 September 2008 (SEK m)
ASSETS	
Goodwill	–
Other intangible fixed assets	–
Tangible fixed assets	3
Other fixed assets	3
Inventories	–
Current receivables	145
Cash and cash equivalents	548
Total assets	699
EQUITY AND LIABILITIES	
Equity	551
Liabilities	
Long-term liabilities	34
Current liabilities	114
Equity and liabilities	699
Capital employed	(4)
Net financial assets	555

Since the date of the last published accounts, there have not been any material changes in the financial or trading position of the Scribona Group.

Financial information on Scribona (including the interim report for the Scribona Group for the period 1 January to 30 September 2008 and historic financial statements for the Scribona Group) is available for download on Scribona's website at www.scribona.com/page.html?pid=78. Shareholders may request a copy of any such financial information from Scribona (by email to lorenzo.garcia@scribona.com, by telephone on +46 737 083888 or in writing marked for the attention of Lorenzo Garcia at Scribona AB, Box 1374, SE-171 27 Solna, Sweden).

EGM

The notice convening the EGM, to be held on 5 February 2009 at 11.00 a.m. is set out at the end of this document.

Action to be taken

A Form of Proxy for use in connection with the EGM is enclosed with this document. Whether or not you intend to be present at the EGM in person, it is important that you duly complete, execute and return the Form of Proxy, by hand or by post, to the Company's agent, for this purpose being Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 3WX in accordance with the instructions printed thereon.

To be valid, the completed Form of Proxy must be executed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's agents not later than 11.00 a.m. on 3 February 2009. Completion and return of a Form of Proxy will not prevent you from attending and voting at the EGM in person should you wish to do so.

Recommendation

The Directors consider the Resolutions to be in the best interests of Shareholders as a whole. The Directors, who have been so advised by Arbuthnot Securities in respect of the Rule 9 Waiver, consider the Transaction and the Rule 9 Waiver to be fair and reasonable and to be in the best interests of Independent Shareholders and the Company as a whole. In providing advice to the Directors, Arbuthnot Securities has taken into account the Directors' commercial assessments. Accordingly, the Directors unanimously recommend Shareholders vote in favour of the Resolutions at the EGM as they intend to do in respect of their own personal beneficial shareholdings which amount to, in aggregate 1,133,000 Ordinary Shares, representing approximately 1.16 per cent. of the current issued share capital of the Company.

Yours faithfully

Robin Monro-Davies
Non-Executive Chairman

PART II

ADDITIONAL INFORMATION

1. Responsibility

(a) The Directors, whose names appear in paragraph 2(a) below, accept responsibility for the information contained in this document, other than that relating to the Concert Party. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

(b) Each member of the Concert Party, whose name appears in paragraph 3(a) below, accepts responsibility individually for the information contained in this document relating to itself and, in the case of each Scribona Director, his respective immediate family, related trusts and affiliated persons within the meaning given in the City Code. To the best of the knowledge and belief of each member of the Concert Party (who has taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

(a) The Directors of EETI are:

Robin Monro-Davies	*(Non-executive Chairman)*
Leslie Goodman	*(Non-executive director)*
John Le Prevost	*(Non-executive director)*
Tanguy Boullet	*(Non-executive director)*
Juan de Dios Sanchez-Roselly Moreno	*(Non-executive director)*

(b) The Directors of Scribona are:

Björn Edgren	*(Chairman)*
Lorenzo Garcia	*(President and Chief Executive Officer)*
Johan Damne	
Peter Gyllenhammar	
Johan Claesson	

3. Details and description of the Concert Party

(a) The Concert Party

The Concert Party comprises Scribona, Scribona's Directors, Scribona Nordic, Union Discount Company of London Limited and its holding companies (including its immediate holding company Browallia Holdings Limited, an intermediate holding company Bronsstädet AB and its ultimate holding company Erudite Holding Sarl, which is controlled by Peter Gyllenhammar), CA-Fastigheter AB and Leeds Group plc.

(b) Further details on members of the Concert Party

(i) Scribona

Scribona was incorporated in Sweden on 13 July 1961 with registered number 556079-1419 and has its registered office at Röntgenvägen 7, Box 1374, SE-171 27 Solna, Sweden. Scribona has three wholly owned subsidiaries in Sweden, Finland and Norway; Scribona Nordic (Solna, Sweden 556064-2018), Scribona OY (Esbo, Finland FI-1437531-3) and Scribona AS (Oslo, Norway 979 460 198).

On 16 January 2009 Scribona began trading on the First North market, an alternative market operated by the different exchanges within OMX, having previously been listed on the Swedish OMX market.

(ii) Scribona Nordic

Scribona Nordic was incorporated in Sweden on 29 December 1956 with registered number 556064-2018 and has its registered office at Röntgenvägen 7, Box 1374, SE-171 27 Solna, Sweden. It is a wholly owned subsidiary of Scribona and previously the trading entity in the Scribona Group, handling the Scribona Group's entire flow of goods including purchasing, logistics and sales in Sweden, Finland and Norway. The local companies in Finland and Norway outlined above (Scribona OY and Scribona AS) have functioned as agents for Scribona Nordic and served customers in their respective local markets.

(iii) Björn Edgren

Born in 1938, Björn Edgren, has been Chairman of the board of Scribona since August 2008. Mr Edgren is a retired lawyer. He has been a partner of law firm Vinge and has worked in the group management of the Swedish bank SEB. Mr Edgren has a Bachelor of Laws from Stockholm University

(iv) Lorenzo Garcia

Born in 1952, Lorenzo Garcia has been a member of the Scribona board since January 2007 and has, since June 2008, also been Scribona's CEO. He is also currently a board member of Greenfield International AB (a management consultancy), Caperio AB (an IT consultancy) and Rolsta Kvarn AB (a medical service provider). Prior to that Mr Garcia was employed at Tech Data, where he was director of finance for the Nordic Region and president, responsible for Nordic operations, among other positions. He has close to 30 years' experience in the IT industry. Mr Garcia has a Bachelor's degree in Business Administration and a MBA from Helsinki University.

(v) Johan Damne

Born in 1963, Johan Damne has been a member of the Scribona board since August 2008. Mr Damne has since 1989 worked at CA-Fastigheter AB and has been its CEO since 2000. Mr Damne has a Master of Business Administration from Växjö University.

(vi) Peter Gyllenhammar

Born in 1953, Peter Gyllenhammar has been a member of the Scribona board since April 2008. He wholly owns, and is the executive chairman of Bronsstädet AB, the activities of which are described in paragraph (viii) below. Mr Gyllenhammar is also a board member of Leeds Group PLC, an AIM listed company, the activities of which are described in paragraph (xi) below. For many years Mr Gyllenhammar has worked with strategy and other corporate finance related issues in his own, as well as client companies.

(vii) Johan Claesson

Born in 1951, Johan Claesson has been a member of the Scribona board since April 2008. He is also Chairman of the board of CA-Fastigheter AB, a family owned real estate company and a member of the boards of each of Borås Wäfveri, a company that produces and sells textile products for producers and consumers, K3 Business Technology Group plc which is one of the UK´s leading suppliers of Microsoft based business solutions for the supply chain and Leeds Group plc, as described in paragraph (xi) below. Mr Claesson holds a Bachelor of Science in Business Administration and Economics from Handelshögskolan in Stockholm.

(viii) Bronsstädet AB

Bronsstädet AB is a company, incorporated in Sweden with registered number 556612-1124, which is owned by Erudite Holding Sarl, a holding company incorporated in Luxembourg. Both Bronsstädet AB and Erudite Holding Sarl are controlled by Peter Gyllenhammar. Bronsstädet AB is active in developing and managing real estate, as proprietor and partner of manufacturing industrial companies in Great Britain, and investments in public as well as privately held companies, mostly in Great Britain and Sweden.

(ix) Union Discount Company of London Limited

Union Discount Company of London Limited is a company incorporated in England and Wales with registered number 4377462. It is an investment vehicle whose immediate holding company is Browallia

Holdings Limited, a holding company incorporated in England and Wales. Browallia Holdings Limited is in turn owned by Browallia AB, a holding company (which also provides some management services to its other group companies) incorporated and registered in Sweden. Browallia AB is in turn owned by Bronsstädet AB as described in paragraph (viii) above. Bronsstädet AB is in turn owned by Erudite Holding Sarl, which is a holding company incorporated in Luxembourg. All of these entities are ultimately controlled by Peter Gyllenhammar.

(x) CA-Fastigheter AB

CA-Fastigheter AB is a company incorporated in Sweden with registered number 556227-5700. It is an investment vehicle of which Johan Claesson holds 55 per cent. of the issued share capital and CA-Fastigheter AB currently holds 29 per cent. of Scribona.

(xi) Leeds Group plc

Leeds Group plc is a company incorporated in England and Wales more than a century ago with registered number 67863. Its principal country of operation is Germany. For most of its history, Leeds Group plc and its subsidiaries has been mainly engaged in textile processing, specialising in fabric printing and yarn dyeing, and by 1996 had manufacturing operations in UK, Holland and Italy. However, in more recent years Leeds Group ceased all manufacturing activities and is currently entirely focused on the import and sale throughout Europe of fabric imported chiefly from the Far East.

Leeds Group's principal trading subsidiary is Hemmers-Itex Textil Import Export GmbH, based in Nordhorn, Germany. Hemmers-Itex employs some eighty people who handle annual sales of approximately eleven million linear metres of fabric.

The ordinary shares in Leeds Group plc are listed on AIM. Johan Claesson and Peter Gyllenhammar are both non-executive directors of Leeds Group plc, together with one other non-executive director. Johan Claesson owns approximately 25.4 per cent. (excluding treasury shares; 22.9 per cent. of the total issued share capital) of Leeds Group PLC and Peter Gyllenhammar owns (through Bronsstädet) approximately 21.4 per cent. (excluding treasury shares; 19.3 per cent. of the total issued share capital) of Leeds Group plc.

Financial information relating to Leeds Group plc is available to be downloaded from its website at: www.leedsgroup.plc.uk.

4. Interests and Dealings

(a) As at the close of business on 15 January 2009 (being the last practicable date prior to the publication of this document), the interests of the Directors and their immediate families and related trusts and the interests of persons connected with them, in Ordinary Shares were as set out below:

Director	*Number of Ordinary Shares*	*Percentage of existing issued ordinary share capital*
Robin Monro-Davies	1,000,000	1.020
Leslie Goodman	70,000	0.071
John Le Prevost	30,000	0.031
Tanguy Boullet	30,000	0.031
Juan de Dios Sanchez-Roselly Moreno	3,000	0.003

On 30 July 2008, Robin Monro-Davies purchased 500,000 Ordinary Shares at a price of 9.5p per Ordinary Share.

Certain of the Directors, all of whom are existing Shareholders, have indicated that they wish to subscribe for Ordinary Shares in the Placing as follows:

Director	*Number of Ordinary Shares*	*Resulting percentage holding of enlarged share capital following the Placing*
Robin Monro-Davies	9,459,183	1.02
John Le Prevost	1,350,000	0.13

(b) None of the Directors are interested in any options to acquire Ordinary Shares, any short positions (whether conditional or absolute and whether in the money or otherwise), any short position under a derivative, any agreement to sell or any delivery obligation or any right to require another person to purchase or take delivery of Ordinary Shares and have not been interested in any such options, short positions, agreements to sell or delivery obligations during the period of 12 months immediately prior to the date of this document.

(c) As at the close of business on 15 January 2009 (being the latest practicable date prior to the publication of this document), the interests of the members of the Concert Party in Ordinary Shares were as follows:

Name	*Number of Ordinary Shares*	*% of existing Ordinary Shares*
Bronsstädet AB	1,255,000	1.28
Union Discount Company of London Ltd	450,000	0.46
Leeds Group plc	1,000,000	1.02
Total	2,705,000	2.76

(d) The members of the Concert Party have been involved in the following dealings in the past 12 months, all of which have been acquisitions of Ordinary Shares:

Name	*Date 2008*	*Number of Ordinary Shares acquired*	*Price*
Bronsstädet AB	30 January	250,000	27p
Bronsstädet AB	30 January	250,000	28p
Bronsstädet AB	30 January	250,000	28p
Leeds Group plc	5 February	1,000,000	27.5p
Bronsstädet AB	13 March	200,000	24p
Bronsstädet AB	13 March	300,000	24p
Union Discount Company of London Limited	25 March	250,000	22p
Bronsstädet AB	21 April	5,000	20p
Union Discount Company of London Limited	14 November	200,000	1.75p

(e) As at 15 January 2009, being the last practicable date prior to the publication of this document, the members of the Concert Party held, in aggregate, 2,705,000 Ordinary Shares, representing approximately 2.76 per cent. of the Ordinary Shares in issue. Neither Scribona nor Scribona Nordic had any interest in Ordinary Shares.

Certain members of the Concert Party, all of whom are existing Shareholders, have indicated that they wish to subscribe for Ordinary Shares in the Placing as follows:

	Current holding of Ordinary Shares	*Current percentage holding*	*Number of Placing Shares*	*Resulting percentage holding of enlarged share capital following the Placing*
Bronsstädet AB	1,255,000	1.28	55,000,000	5.49
Union Discount Company Limited	450,000	0.46	10,000,000	1.02
Leeds Group plc	1,000,000	1.02	20,000,000	2.05

(f) Other than as disclosed in this paragraph 4, during the period of 12 months immediately prior to the date of this document, there have been no dealings for value in Ordinary Shares nor have any Ordinary Shares been borrowed or lent by the Company, the Directors (or their immediate families or persons connected with them), or any member of the Concert Party, director of Scribona Nordic, or any person acting in concert with any of them.

(g) Other than as disclosed in this paragraph 4, no member of the Concert Party, no Director, no Associate of the Company, no person acting in concert with the Company or the Directors or any member of the Concert Party, director of Scribona Nordic, no pension fund of the Company or any of its Associates, no employee benefit trust of the Company or any of its Associates, no connected advisers to the Company or any of its Associates or any connected advisers to anyone acting in concert with the Company or any person controlling, controlled by or under the same control as any such connected advisers (other than an exempt principal trader or an exempt fund manager (within the meaning of the City Code)) is interested in any Ordinary Shares or has the right to subscribe for Ordinary Shares or has a short position, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of or in any Ordinary Shares.

(h) There is no arrangement relating to the purchase of Ordinary Shares where the payment of interest on, repayment of or security for any liability (contingent or otherwise) is connected to or is dependant to any extent on the business of the Company.

(i) There is no arrangement relating to the transfer of Ordinary Shares to be issued to Scribona Nordic pursuant to the Scribona Investment.

(j) Neither the Company nor any of the Directors has any interest in any ordinary share in Scribona Nordic or has the right to subscribe for such ordinary shares or has a short position, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of or in any such ordinary shares in Scribona Nordic.

(k) In this paragraph 4, reference to:

(i) "**connected adviser**" means:

(a) in relation to the Company, (a) an organisation which is advising the Company in relation to the Rule 9 Waiver; and (b) a corporate broker to the Company;

(b) in relation to a person who is acting in concert with any member of the Concert Party an organisation (if any) which is advising that person either (a) in relation to the Rule 9 Waiver; or (b) in relation to the matter which is the reason for that person being a member of the Concert Party; and

(c) in relation to a person who is an Associate of any member of the Concert Party or the Company, an organisation (if any) which is advising that person in relation to the Rule 9 Waiver;

(ii) "**connected person**" has the meaning given in section 252 of the Companies Act 2006;

(iii) "**control**" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (being all the voting rights attributable to the capital of a company which

are currently exercisable at a general meeting) of a company, irrespective of whether such interest or interests give *de facto* control;

(iv) "**dealing**" or "**dealt**" includes the following:

(a) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;

(b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;

(c) subscribing or agreeing to subscribe for securities;

(d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;

(e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;

(f) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and

(g) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

(v) "**derivative**" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

(vi) for the purposes of this paragraph 4, a person is treated as "**interested**" in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as "**interested**" in securities if:

(a) he owns them;

(b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;

(c) by virtue of any agreement to purchase, option or derivative, he:

(i) has the right or option to acquire them or call for their delivery; or

(ii) is under an obligation to take delivery of them whether the right, option or obligation is conditional or absolutely and whether it is in the money or otherwise; or

(d) he is party to any derivative:

(i) whose value is determined by reference to their price; and

(ii) which results, or may result, in his having a long position in them.

(vii) "**short position**" means a short position whether conditional or absolute and whether in money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5. Potential Voting Rights of the Concert Party

Under the terms of the Placing and Subscription Agreement, subject to the passing of the Resolutions and certain other conditions, Scribona Nordic will subscribe for 527,000,000 new Ordinary Shares which, in the event that Scribona Nordic is not required to subscribe for any of the Placing Shares, would, constitute 51.4 per cent. of all the voting rights of the Company. In the event that Scribona Nordic is also required to subscribe for all of the 400,000,000 Placing Shares (other than those for which certain members of the Concert Party and the Directors intend to subscribe), Scribona Nordic's interest in Ordinary Shares would constitute 81.1 per cent. of all the voting rights of the Company.

Other than the Ordinary Shares for which certain members of the Concert Party intend to subscribe (as set out in Part I), there are no agreements, arrangements or understandings between Arbuthnot Securities, and any member of the Concert Party or among any members of the Concert Party in relation to the subscription for Placing Shares by existing Shareholders who are members of the Concert Party.

As a result, upon implementation of the Scribona Investment and the Placing (and taking into account the Placing Shares which may be allotted and issued to existing Shareholders who are Directors or members of the Concert Party), the voting rights attributable to the Ordinary Shares held by the Concert Party (in the event that Scribona Nordic is not required to subscribe for any of the Placing Shares) would constitute 60.0 per cent. of all the voting rights of the Company or (in the event that Scribona Nordic is required to subscribe for all of the Placing Shares other than those for which certain members of the Concert Party and the Directors intend to subscribe) would constitute 89.6 per cent. of all the voting rights of the Company.

6. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by the Company and contain provisions under which the Company has an obligation or entitlement which is, or may be, material to the Company as at the date of this document:

6.1 **Debt Purchase Agreement, Facility Agreement and amendment, waiver, accession and restatement deed**

Pursuant to the terms of the Debt Purchase Agreement, Scribona Nordic agreed to acquire from Citibank the outstanding rights and obligations of Citibank as lender under the Company's then existing facility agreement entered into between the Company and Citibank dated 20 December 2006 (as amended on 25 July 2007 and as amended and restated on 17 December 2007) (the "Existing Agreement").

Following the transfer, Scribona Nordic and the Company entered into an amendment, waiver, accession and restatement deed dated 12 December 2008 under which the Existing Agreement was amended and restated, Scribona Nordic acceded to the Facility Agreement as facility agent and Scribona Nordic agreed to waive certain events of default under the Facility Agreement up until the conditions under the Placing and Subscription Agreement, described in paragraph 6.2 below, have been satisfied. Scribona Nordic has also agreed that, as the outstanding debt owed by the Company to Scribona Nordic is approximately €30,000,000, the financial covenants in the Facility Agreement will not apply until the write off of debt and subscription for Shares by Scribona Nordic and other Shareholders.

Under the Facility Agreement, Scribona Nordic has agreed to minimal amendments being made to the Existing Agreement as a result of Scribona Nordic becoming the lender.

(a) In particular, the following amendments have been agreed by Scribona Nordic:

(i) The portfolio balance is measured using the aggregate value of a collateral obligation as used by the Company for its last Net Asset Value report and reviewed by independent auditors on a quarterly basis (the "Portfolio Balance") rather than the previous measure being the lower of the trade price, the value used in the last Net Asset Value report and the price determined by reference to one bid from a nationally recognised dealer in the relevant collateral obligation (or if no such bid could be obtained then the Company's reasonable estimate);

(ii) The final repayment date has been extended to 15 December 2009;

(iii) The requirement for the debt under the Existing Agreement to be rated BBB has been deleted; and

(iv) The events of default have been amended so that the resignation of the investment manager will only be an event of default if no suitable replacement is found within 3 months of such resignation or termination becoming effective or insolvency of the

investment manager. The events of default relating to changes in the lender's internal policy and the departure of key men at the investment manager have been deleted.

(b) The following amendment has also been inserted into the Facility Agreement at the request of Scribona Nordic:

(i) All principal amortisations received by the Company shall be applied immediately following receipt in prepayment of the facility;

(ii) The Scribona Subscription Sum (as defined in the Placing and Subscription Agreement) shall be applied in prepayment of the facility; and

(iii) There will be an event of default if the Resolutions approving the Placing are not approved by 16 February 2009.

(c) The following provisions are contained in the Existing Agreement and have not been amended in the Facility Agreement:

(i) The margin is 5 per cent., which is the same margin which would have applied following the exercise of the term out option;

(ii) All provisions relating to prepayment other than as set out in paragraph (b) above remain in place including the requirement to prepay the facility if the acceleration overcollateralisation test is breached;

(iii) All the indemnities including as to tax, costs and expenses and increased costs set out in the Existing Agreement will remain in place in favour of Scribona Nordic;

(iv) The financial covenants have not been amended. In particular, there is the acceleration overcollateralisation test which states that the portfolio to loan ratio (being the Portfolio Balance divided by the total aggregate loan advance) shall not be less than 200 per cent. and the liquidation overcollateralisation test which states that the portfolio to loan ratio shall not be less than 150 per cent.. However the amendment to the definition of Portfolio Balance, as described above, has changed the process for calculating whether the Company is in compliance with the above covenants;

(v) The general undertakings have not been amended. The Company has to procure that EETI Finance Limited also complies with all but one of the general undertakings, being compliance with the security agreements. This has not changed as a result of the transactions with Scribona Nordic; and

(vi) The events of default have been amended as set out above. Any reference to Company includes a reference to EETI Finance Limited. This has not changed as a result of the transactions with Scribona Nordic.

6.2 **Placing and Subscription Agreement**

Under the Placing and Subscription Agreement Scribona Nordic and Arbuthnot Securities have conditionally agreed with the Company as follows:

(a) Scribona Nordic has agreed to subscribe for 500 million Shares at a price of €0.0111 per Share with Scribona Nordic's obligation to subscribe for such Shares being satisfied by the Company setting off the subscription price against €5.6 million of debt owed by the Company to Scribona Nordic; and

(b) Arbuthnot Securities has agreed, as agent for the Company, to use its reasonable endeavours to procure certain existing Shareholders in the Company to subscribe on a non pre-emptive basis for 400 million Shares at a price of €0.0111 per Share, the placing proceeds to be used to pay off debt owed by the Company to Scribona Nordic. Such placing has been underwritten by Scribona Nordic. To the extent that Scribona Nordic is required to subscribe as principal for these Shares, its obligation will be satisfied by the Company setting off the subscription price against the equivalent amount of debt owed by the Company to Scribona Nordic.

Scribona Nordic has agreed to write off so much of the remainder of its debt as will leave the sum outstanding under the Facility Agreement at approximately €5.7 million; and

Scribona Nordic will be paid a commission of €299,700 in relation to its underwriting, to be satisfied by the issue to it of 27 million Shares at €0.0111 each.

Each of Scribona Nordic's and Arbuthnot Securities' obligations under the Placing and Subscription Agreement are conditional on, *inter alia*:

(i) passing of the Resolutions;

(ii) the Placing and Subscription Agreement not having been terminated;

(iii) the States of Guernsey Policy Council not having withdrawn its consent, or such consent having ceased to be effective or valid, pursuant to the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959-1989 (as amended) to the Company's raising of money by way of the proposed capital restructuring, prior to admission of the new Ordinary Shares to be issued pursuant to the Placing and Subscription Agreement;

(iv) the Company having complied in all material respects with its obligations, and there having been no material breach of any warranty given by the Company, under the Placing and Subscription Agreement prior to admission of the new Ordinary Shares to be issued pursuant to the Placing and Subscription Agreement;

(v) the aggregate costs, expenses and/or fees payable by the Company to professional advisers or third parties (excluding Citibank) in connection with the proposed capital restructuring not exceeding £370,000 excluding VAT and disbursements (other than with the consent of Scribona Nordic);

(vi) admission of the new Ordinary Shares to be issued pursuant to the Placing and Subscription Agreement to trading on AIM occurring by 16 February 2009; and

(vii) de-listing of the Company's Shares from the CISX.

The Company has given customary warranties and indemnities to Scribona Nordic and Arbuthnot Securities.

Scribona Nordic is entitled to terminate the Placing and Subscription Agreement if there is a material breach by the Company of that agreement and/or of any of the warranties given by the Company in that agreement.

6.3 **Investment Management Agreement**

The Company is party to an investment management agreement (the "Investment Management Agreement") with Ocean Capital Associates LLP (the "Investment Manager") dated 6 April 2006, pursuant to which the Company has appointed the Investment Manager to manage the assets of the Company on a day-to-day basis in accordance with, *inter alia*, the investment objective and policy of the Company, subject to the overall supervision and direction of the Board.

The Investment Management Agreement provides that if the Investment Manager acts as investment manager of, or investment adviser to, a subsidiary or SPV of the Company, the Investment Manager will be required to procure, to the extent that it is able to do so, that the investments of the relevant subsidiary or SPV are made such that the Company's investment portfolio shall, overall, be in accordance with the investment restrictions applicable to the Company.

The Investment Manager gives no warranty or undertaking as to the performance or profitability of the Company's investment portfolio or any part of it. Nothing in the Investment Management Agreement excludes any liability of the Investment Manager under the Financial Services and Markets Act 2000 or the rules of the Financial Services Authority.

The Company has agreed to indemnify the Investment Manager with respect to all costs, losses, claims and expenses incurred by it except in the case of negligence, bad faith, recklessness, wilful default or fraud on the part of the Investment Manager. The Investment Manager has agreed to indemnify the Company, against all costs, losses, claims and expenses incurred by it as a result of negligence, bad faith, recklessness, wilful default or fraud of the Investment Manager.

Since 6 April 2008, being the second anniversary of the effective date of the Investment Management Agreement, the Company has had the right to terminate the Investment Management Agreement at any time by giving the Investment Manager not less than 12 months' prior notice in writing.

The Company may terminate the Investment Management Agreement forthwith for cause by giving the Investment Manager written notice if the Investment Manager commits any material breach with respect to its obligations under the Investment Management Agreement (and fails to make good such breach within 30 days of receipt of written notice from the Company requiring it to do so) or if the Investment Manager is liquidated or dissolved or unable to pay its debts or commits any act of bankruptcy or if a receiver is appointed over any of its assets or ceases to be authorised by the FSA.

Since 6 April 2008, being the second anniversary of the effective date of the Investment Management Agreement, the Investment Manager has the right to resign its appointment at any time by giving the Company not less than 12 months' prior notice in writing.The Investment Manager may resign its appointment forthwith by giving the Company notice in writing if the Company commits any material breach with respect to its obligations under this Agreement and fails to make good any breach within 30 days of receipt of written notice from the Investment Manager requiring it to do so.

The Investment Manager may resign its appointment by giving notice in writing to the Company, effective forthwith, if the Company is liquidated or dissolved or is unable to pay its debts or commits any act of bankruptcy or if a receiver is appointed over any of its assets or if it ceases to be listed on AIM.

Management Fee

Under the terms of the Investment Management Agreement, a management fee is payable to the Investment Manager at an annual rate of 1.25 per cent. of the lower of (i) the Net Asset Value of the Company immediately following Admission and (ii) the Net Asset Value of the Company on 31 March, 30 June, 30 September and 31 December (before deduction of accruals in respect of the management fee for the current period and any performance fee) (excluding current period income).

The management fee accrues daily and is payable quarterly in arrear (together with an amount equal to any relevant VAT thereon, if applicable).

Performance Fee

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive a performance related fee in respect of each performance period which will be paid quarterly in arrear.

The performance fee for each performance period will be an amount equal to 20 per cent. of the amount by which the Company's net income (as calculated for these purposes) after tax for the relevant period, before payment of any performance fee, exceeds an amount equal to a simple interest rate of two per cent. per quarter (the "quarterly hurdle") multiplied by the weighted average number of Ordinary Shares outstanding during the relevant period multiplied by the weighted average offer price of such Ordinary Shares. The Company's prospectus, dated 6 April 2006, stated that payment of the performance fee was subject to the Net Asset Value of an Ordinary Share at the end of the relevant performance period being no less than the Net Asset Value of an Ordinary Share immediately following admission to trading of the Ordinary Shares on AIM and to the official list of the CISX on 26 April 2006. However, that provision was not included in the Investment Management Agreement. Following amendment of the Investment Management Agreement on 24 December 2008, payment of any performance fee is now subject to the Net Asset Value of the Company at the end of the relevant performance period being no less than the Net Asset Value of the Company immediately following admission to trading of the Ordinary Shares on AIM and to the official list of the CISX on 26 April 2006.

The performance related fee for each performance period will be calculated by reference to the amount by which A exceeds the aggregate value of B multiplied by C where:

A = the Company's net income, before dividends, taking into account any realised or unrealised losses (but only to the extent they have not been deducted in a prior performance period) and excluding any unrealised gains from the revaluation of investments, as shown in the Company's consolidated management accounts for the relevant quarter, and before payment of the performance related fee;

B = the weighted average number of Ordinary Shares outstanding during the relevant quarter multiplied by the weighted average offer price of such Ordinary Shares; and

C = an amount equal to a simple interest rate equal to 2 per cent. per quarter (the quarterly hurdle).

The sum of quarterly performance fees based on the quarterly hurdle payable to the Investment Manager for any full financial period will be capped at that amount which would be payable based on 20 per cent. of the amount by which the Company's net income after tax for the relevant period (before payment of any performance fees) exceeds an amount equal to an annualised simple interest rate of eight per cent. (the "annual hurdle") multiplied by the weighted average number of Ordinary Shares outstanding during the relevant full financial period multiplied by the weighted average offer price of such Ordinary Shares.

Where the sum of quarterly performance fees paid for any financial period based on the quarterly hurdle exceeds that amount which would have been payable based on the annual hurdle, the Investment Manager shall repay to the Company any such excess.

The performance fee, if any, will be calculated on behalf of the Company by the Administrator.

Where there is a difference between the Company's net income for the relevant performance period as shown in the Company's quarterly management accounts compared to the Company's audited annual accounts, the net income for the relevant performance period as reflected in the audited accounts shall prevail. Any excess performance fee paid or any additional performance fee due in respect of any performance period attributable to any such difference will be repaid by or paid to the Investment Manager, as the case may be.

Other Fees and Expenses

The Company will also pay or reimburse the Investment Manager in respect of all out-of-pocket expenses and costs reasonably incurred by it in the performance of its duties under the Investment Management Agreement. These expenses include, but are not limited to, transaction costs incidental to the acquisition, disposition and financing of investments, legal and auditing fees and expenses, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of the Company paid by the Investment Manager.

Subject thereto, the Investment Manager will be responsible for its own overhead expenses in connection with the performance of its duties under the Investment Management Agreement, including compensation of its employees and rent for office space occupied by it.

The Investment Manager may at any time delegate certain duties under the Investment Management Agreement to any associate of the Investment Manager. The Investment Manager's liability to the Company for all matters so delegated shall not be affected thereby and the Investment Manager shall remain liable in respect of losses to the Company resulting from the acts or omissions of any such delegate.

The Investment Management Agreement is governed by English law.

6.4 **Administration Agreement**

The Company is party to an administration agreement (the "Administration Agreement") with Anson Fund Managers Limited (the "Administrator") dated 6 April 2006, pursuant to which the Administrator provides for the day-to-day administration of the Company, including maintenance of accounts and provision of a company secretary.

For the provision of services under the Administration Agreement, the Administrator receives from the Company an annual fee, accruing monthly in arrears at a rate of one-twelfth of the annual fee and payable on the last business day of each month in each calendar year. The annual fee is at the rate of £48,000 plus £1,000 for each whole multiple of £10 million by which the gross assets of the Company (being the Net Asset Value excluding borrowings and debt finance) exceeds £60 million as determined as at the previous quarter end date. In addition to the fees payable, the Company will reimburse the Administrator for all reasonable expenses properly incurred by the Administrator in connection with the performance of its services under the Administration Agreement, including a fee of £1,500 should the Administrator be required to attend any meeting outside Guernsey.

In addition, the Administrator shall receive such further fees as agreed in advance and from time to time between the Company and the Administrator for any additional services. The Administration Agreement shall be terminated upon expiry of at least three months' notice by either party to the other. The Administration Agreement may also be terminated immediately upon one party giving notice to the other in the event of, *inter alia*, the Administrator ceasing to be the holder of a licence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the other party becoming insolvent or the other party committing a material breach of the Administration Agreement and fails (if such breach is capable of remedy) to make good such breach within thirty days of receiving a notice requiring remedy.

The Administrator shall not be liable for any loss, cost, charge, expense, payment, interest, demand, claim, damages or legal fees ("Losses") suffered or incurred by the Company arising out of any act or omission on the part of the Administrator in connection with its duties under the Administration Agreement unless such Losses arise from its bad faith, negligence, wilful misconduct or fraud. The Company has indemnified the Administrator and its directors, officers and employees against all Losses which may be suffered or incurred by the Administrator or its directors or other persons referred to above in connection with the performance or non-performance of the Administrator's duties save where such Losses arise from the bad faith, negligence, wilful misconduct or fraud of the Administrator.

The Administration Agreement is governed by Guernsey law.

6.5 **Registrar Agreement**

The Company is party to a registrar agreement with Anson Registrars Limited (the "Registrar") dated 6 April 2006 (the "Registrar Agreement") pursuant to which the Registrar provides registration services to the Company which entails, among other things, the Registrar having responsibility for the transfer of Ordinary Shares, maintenance of the share register and acting as transfer and paying agent.

For provision of the registrar services, the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts subject to an annual minimum charge of £3,600. In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions. In addition to the fees payable, the Company will reimburse the Registrar for all reasonable out of pocket disbursements incurred by the Registrar in connection with the performance of its services under the Registrar Agreement.

The Registrar Agreement shall be terminated upon at least 90 days' written notice by either party to the other. The Registrar Agreement may be terminated immediately by either party if *inter alia*, the Registrar ceases to be a holder of a licence under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the other party goes into liquidation or the other party commits a material breach of the Registrar Agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within 30 days of receiving a written notice requiring it to do so.

Except in the case of the fraud, the aggregate liability of the Registrar arising out of or in connection with the Registrar Agreement will be limited to the lesser of £1,000,000 or an amount equal to ten times the total annual fee payable to the Registrar and neither party shall be liable to the other in connection with the Registrar Agreement for indirect or consequential loss or

damage, loss of profit, revenue, actual or anticipated savings or goodwill, in all cases (whether caused by negligence or otherwise).

The Company has indemnified the Registrar against all claims and demands which may be made against the Registrar in respect of any loss or damage sustained or suffered or incurred by any third party in connection with the performance or non-performance of the Registrar's duties under the Registrar Agreement otherwise than by reason of the negligence, wilful default, wilful misconduct, fraud or the breach by the Registrar of the terms of the Registrar Agreement. In addition, the Company has indemnified the Registrar against all claims and demands in respect of or incidental to any breach by the Company of the CREST Rules.

The Registrar Agreement is governed by Guernsey law.

The Registrar has appointed Anson Administrators (UK) Limited (the "UK Transfer Agent") to provide transfer agent services to the Company, for which it will receive a fee payable by the Registrar. The Registrar will remain liable to the Company for the activities of the UK Transfer Agent.

6.6 **Custody Agreement**

The Company is party to a custody agreement (the "Custody Agreement") with BNP Paribas Trust Company (Guernsey) Limited (previously RBSI Trustee Services (Guernsey) Limited) (the "Custodian") dated 6 April 2006, pursuant to which the Custodian is responsible for providing custodial services which include being global custodian of such of the investments and property of the Company of a type agreed with the Custodian and which the Company deposits with the Custodian ("Property"), the safekeeping of such Property for the Company and the settlement of transactions relating to such Property. Under the Custody Agreement, a fee is payable to the Custodian of 0.03 per cent. of the assets of the Company held by the Custodian subject to a minimum annual charge of £5,000. In addition to this fee, the Company will reimburse the Custodian for reasonable out of pocket expenses incurred for the benefit of the Company.

The Custody Agreement may be terminated upon at least 90 days' written notice by either party to the other and immediately by either party if, *inter alia*, the other party goes into liquidation or the other party commits a material breach of the Custody Agreement and fails (in the case of a breach capable of being remedied) to remedy such breach within 30 days of receiving a written notice requiring it to do so.

Under the terms of the Custody Agreement, the Custodian will not be responsible and will not incur any liability in respect of any loss, damage, cost or expense incurred or suffered by the Company in connection with, including among others, any errors in the giving of authorised instructions, any delay in obtaining clarification of an authorised instruction or any negligence or other failure of the investment manager of the Company or any clearing house. In addition, the aggregate liability of the Custodian for loss or non-availability of Property is limited for securities or certificates to their market value and for currency to its face value. The Custodian will not be responsible for or incur any liability for any indirect or consequential loss. The Company has agreed to indemnify the Custodian, any subcustodian or any of their respective agents or nominees against all costs, charges, expenses, damages, liabilities, losses, penalties and claims incurred or suffered by the Custodian, any sub-custodian or any of their respective agents or nominees in the lawful and proper exercise of its duties under the Custody Agreement.

The Custody Agreement is governed by Guernsey law.

6.7 **Nominated Adviser and Broker Agreement**

The Company is party to a nominated adviser and broker agreement with Arbuthnot Securities dated 6 April 2006, pursuant to which the Company has appointed Arbuthnot Securities as the nominated adviser and broker to the Company for the purposes of the AIM Rules. The agreement contains certain undertakings by the Company and an annual fee payable quarterly in advance (subject to annual review) of £26,250 (plus expenses and VAT where applicable) payable to Arbuthnot Securities for its services.

The Company has agreed to indemnify and hold harmless Arbuthnot Securities, for its own account and as trustee for its connected persons, from and against any losses, claims, demands, damages, costs, charges, expenses or liabilities which the indemnified person may suffer relating to or arising directly out of Arbuthnot Securities' provision of services or breach by the Company of its obligations under the terms of the Nominated Adviser and Broker Agreement.

The Company will not, however, be responsible for any losses, claims, demands, damages, costs, charges, expenses or liabilities incurred by the indemnified party to the extent that they result from actions taken or omitted to be taken by that indemnified person that is finally judicially determined to be in bad faith or to arise from negligence of that indemnified person or to arise from a material breach of the agreement.

6.8 **Sponsor Agreement**

The Company is party to an engagement letter with Ogier Corporate Finance Limited dated 6 April 2006, pursuant to which the Company has appointed Ogier Corporate Finance Limited as its sponsor to the Channel Islands Stock Exchange.

The Company has agreed to indemnify and hold harmless Ogier Corporate Finance Limited, for its own account and as trustee for its connected persons (each an "indemnified party"), from and against any losses, claims, demands, damages, costs, charges, expenses, fines or liabilities which the indemnified party may suffer, incur or which may be made against the indemnified party relating to or arising directly or indirectly out of Ogier Corporate Finance Limited's provision of services under the engagement letter or which otherwise results directly or indirectly from the publication of any prospectus, circular, or other document or announcement by the Company (or any employee, director or agent of the Company).

The Company will not, however, be responsible for any losses, claims, demands, damages, costs, charges, expenses, or liabilities incurred by an indemnified party to the extent that they result from actions taken or omitted to be taken by that indemnified party in bad faith or arising directly from the negligence, wilful default or fraud of that indemnified party.

The agreement contains certain undertakings by the Company and an annual advisory fee of £2,000 payable to Ogier Corporate Finance Limited for its services.

7. Directors' Service Agreements

None of the Directors have entered into service contracts with the Company nor are any such contracts proposed.

On 6 April 2006 each of the Directors entered into a letter of appointment with the Company in respect of their respective services as non-executive directors pursuant to which they were each appointed as a non-executive director (or in the case of Mr Monro-Davies, as Chairman and non-executive director of the Company). Each Director has also agreed to serve on the management committee and the audit committee of the Company. The appointment of each of the Directors is subject to the Articles and continues (unless terminated earlier by the Director giving three months' notice in writing to the Company or by the Company giving summary notice in writing to the Director with immediate effect in any circumstances which the Company reasonably considers justify such termination) until his position as a Director ceases in accordance with the Articles, when it will terminate without notice and without entitlement to compensation (other than the balance of accrued fees and expenses).

Each member of the Board is entitled to receive fees for their services as Directors, such sums in aggregate not to exceed £200,000 per annum. Currently the Chairman, Robin Monro-Davies receives the sum of £25,000 per annum and the remaining Directors receive the sum of £15,000 per annum with the exception of Tanguy Boullet who waived his fee for the year ended 30 June 2008. In addition, the Company has agreed to reimburse each Director for his reasonable expenses necessarily incurred in the performance of his duties.

Each Director is subject to a confidentiality undertaking without limitation of time and they must communicate to the Board any conflict of interest or potential conflict of interest.

Each letter of appointment is governed by English law.

There have been no changes to the letters of appointment described above in the six months prior to the date of this document.

8. Middle Market Quotations

The following table shows the closing middle-market quotations for the Ordinary Shares, as derived from the London Stock Exchange on the first Business Day of each of the six months immediately preceding the date of this document and 15 January 2009 (being the latest practicable date prior to the publication of this document).

Date	*Price per Ordinary Share (p)*
15 January 2009	1.75
2 January 2009	1.75
1 December 2008	1.505
3 November 2008	2.00
1 October 2008	5.00
1 September 2008	9.25
1 August 2008	9.25

9. General

(a) Arbuthnot Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

(b) There is no agreement, arrangement, or understanding (including any compensation arrangement) between the members of the Concert Party and any person acting in concert with any of them and any of the Directors, recent directors, Shareholders or recent shareholders having any connection with or dependence upon the proposals set out in this document.

(c) No agreement, arrangement or understanding exists whereby the Ordinary Shares acquired by Scribona Nordic pursuant to the authority conferred by the Subscription and Placing Resolution will be transferred to any other person.

(d) Save as disclosed in this document. there has been no material change in the financial or trading position of the Company since 30 June 2008, being the date to which its most recent audited accounts were made up.

10. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of the Company's solicitors, Denton Wilde Sapte LLP, One Fleet Place, London EC4M 7WS during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) up to and including 5 February 2009 and at the EGM to be held on that day:

(a) the memorandum and articles of incorporation of EETI;

(b) the memorandum and articles of association of Scribona;

(c) the audited consolidated accounts for EETI for the financial years ended 30 June 2007 and 2008;

(d) the audited consolidated accounts for Scribona for the financial year ended 31 December 2007 and the interim report for Scribona Group for the period 1 January to 30 September 2008;

(e) the consent letter referred to in paragraph 9(a) above;

(f) the material contracts referred to in paragraph 6 above; and

(g) the letters of appointment referred to in paragraph 7 above.

NOTICE OF EXTRAORDINARY GENERAL MEETING

European Equity Tranche Income Limited

(incorporated with limited liability under the laws of Guernsey with registration number 44552)

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of European Equity Tranche Income Limited (the "**Company**") will be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ on 5 February 2009 at 11.00 a.m., for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. THAT, conditional on resolution 2 below being passed:

   (a) the de-listing of the Company from the Channel Islands Stock Exchange, LBG;

   (b) the issue of up to 927,000,000 ordinary shares of no par value in the capital of the Company at a price of €0.0111 per ordinary share, such price representing a discount to the net asset value per ordinary share; and

   (c) with effect from 7.00 a.m. on the day which is ten days following (but not including) the day on which the Placing and Subscription Agreement (as described in the document containing the notice convening this meeting) becomes unconditional, or if such day is not a Business Day (as defined in the document containing the notice convening this meeting), on the following Business Day, or on such other day as the board of directors of the Company in their absolute discretion may determine, and conditional on the Placing and Subscription Agreement becoming unconditional, the consolidation of every 100 issued ordinary shares of no par value in the capital of the Company into 1 ordinary share of no par value, but that any fractional entitlements to ordinary shares of no par value that would otherwise arise shall be aggregated and the resulting ordinary shares of no par value be sold in the market for the benefit of the Company,

   be and are hereby approved.

2. THAT the grant of the waiver by the Panel on Takeovers and Mergers described in the document containing the notice convening this meeting of any requirement under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the document containing the notice convening this meeting) to make a general offer to shareholders of the Company as a result of resolution 1 above be and is hereby approved.

By Order of the Board

Anson Fund Managers Limited
Company Secretary

16 January 2009

Registered Office:
Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey
Channel Islands
GY1 1EJ

Notes:

- Ordinary Resolutions: These resolutions require a simple majority of the votes cast by those Shareholders entitled to vote in person or by proxy at the meeting convened by the notice set out above to be passed.

- Resolution 2 is required to be voted on by way of a poll and any member who is a member of the Concert Party (as defined in the document containing the notice convening this meeting) will not be permitted to vote on Resolution 2 in accordance with the City Code on Takeovers and Mergers.

- A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.

- A form of proxy is included for use by members. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish. To be valid the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of authority) must be deposited with the Company's agent, for this purpose being, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, C.I. GY1 3WX, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote or in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded.

- A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

- In the case of joint members, the vote of the senior who tenders a vote, whether in person, or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

- None of the Directors has a contract of service with the Company.

- Only those members entered on the Company's register of members not later than 11.00 a.m. on 3 February 2009 or, if the meeting is adjourned, a member entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to entries on the register of members after 11.00 a.m. on 3 February 2009 or, in the event that the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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