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If you have sold or otherwise transferred all of your ordinary shares in European Equity Tranche Income Limited (the “Company”), please forward this document immediately (together with the accompanying form of proxy (“Form of Proxy”)) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred part only of your ordinary shares in the Company, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

European Equity Tranche Income Limited

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

PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of an extraordinary general meeting (“Extraordinary General Meeting” or “EGM”) of the Company to be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ at 10.30 am on Monday 29 June 2009 is set out at the end of this document.

A Form of Proxy for your use is enclosed. To be valid, the enclosed Form of Proxy should be completed in accordance with the instructions thereon, signed and returned so as to be received by the Company’s Registrar, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX, as soon as possible but, in any event, so as to arrive no later than 10.30 am on Saturday 27 June 2009. Completion and return of a Form of Proxy will not preclude shareholders in the Company (“Shareholders”) from attending and voting at the EGM in person should they wish to do so.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Copies of this document are available from the Company’s registered office at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ and at the offices of Dowgate Capital Advisers Limited, 46 Worship Street, London EC2A 2EA, England, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and can be downloaded from the Company’s website, www.eeti.co.uk.

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European Equity Tranche Income Limited

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

Directors:

Robin Monro-Davies (Non-executive chairman)
Leslie Goodman (Non-executive director)
John Le Prevost (Non-executive director)
Tanguy Boulet (Non-executive director)
Lorenzo Garcia (Non-executive director)

Registered office:

Anson Place
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

9 June 2009

To the holders of ordinary shares

Dear Shareholder,

PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The Company announced on 11 May 2009 that, following its announcement on 24 April 2009 of the notification by Scribona Nordic AB (“Scribona”) of Scribona’s then interest in 87.55 per cent. of the Company’s voting rights, the board of directors of the Company, whose names are set out above (the “Board”), had been informed by Scribona that Scribona intended to requisition an Extraordinary General Meeting of the Company, at which a resolution would be proposed to be put to Shareholders to cancel the admission of the ordinary shares of the Company to trading on AIM, the market operated by the London Stock Exchange (“AIM”) (the “Delisting Resolution”). Accordingly, the Board is convening the EGM to be held at 10.30 am on Monday 29 June 2009 to consider and, if thought fit approve the Delisting Resolution.

Scribona has indicated that it believes that the interests of Shareholders would be best served by the cancellation of admission to trading on AIM of the Company’s ordinary shares (the “Delisting”) and has indicated its intention to vote in favour of the Delisting Resolution in respect of its interest in the ordinary shares of the Company, amounting (as at the date of this document) to 93.07 per cent. of the Company’s issued share capital.

Under AIM Rule 41 of the London Stock Exchange AIM Rules for Companies (the “AIM Rules”), cancellation requires the consent of not less than 75 per cent. of votes cast by shareholders in a general meeting and, therefore, the Company is convening a meeting of Shareholders to consider this proposal.

The purpose of this document is to provide Shareholders with information on the Delisting and to explain the reasons put forward by Scribona for the Delisting. Notice of the EGM which sets out the Delisting Resolution is set out on page 8 of this document.

Given the intention of Scribona to vote in favour of the Delisting Resolution and the extent of its interest in the ordinary shares of the Company, the Board makes no recommendation as to the merits of the Delisting, although it seeks to identify some of the factors that should be considered by Shareholders in the context of the Delisting, if it proceeds.

If you are in any doubt about the contents of this document, or the action you should take (including any tax implications that may arise for you), you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised and regulated independent financial adviser if you are outside the United Kingdom.

2. BACKGROUND TO AND REASONS FOR THE PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM

Scribona has identified the following as its reasons for believing it is in the interest of Shareholders to delist the Company's shares from trading on AIM.

The Company was admitted to trading on AIM on 26 April 2006 with a market capitalisation at the admission price of approximately €100 million and a share price of €1. The reasons for admission were, *inter alia*, to enable the Company to raise funds, to raise the Company's profile and create a public market in the Company's ordinary shares.

The current economic crisis has led to significant falls in the values of global stock markets and in particular the markets in which the Company principally operates, being the non-investment grade and equity tranche (or first loss) positions of residential mortgage-backed securities and, to a limited extent, other asset-backed securities in Europe. In addition, conditions in small cap, low liquidity stocks have been adverse.

In December 2008, Scribona purchased from Citibank all outstanding commitments, rights and obligations in relation to debt owed by the Company to Citibank under its facility agreement. As at 31 December 2008 the Company had total drawdowns under the Scribona loan facility of just over €30.4 million. Also in December 2008, Scribona agreed to subscribe for new ordinary shares in the Company and to underwrite a further placing of new ordinary shares. Scribona agreed to set off the subscription price of shares taken up by it against part of the debt owed to Scribona by the Company. Accordingly, on 5 February 2009 as part of a capital restructuring, Scribona agreed to waive such amount of its new facility which had the result, when taken together with repayment of debt made from the proceeds of the placing, of reducing the remaining balance owed to it to approximately €5.7 million. On 24 April 2009 and 19 May 2009 the Company announced that it had been notified by Scribona that it was interested in 87.55 per cent. and 93.07 per cent. of the Company's voting rights respectively.

In Scribona's view:

- the primary purpose for seeking a listing on AIM in the first place was to enable access to capital markets, something which Scribona believes a continued listing on AIM is no longer able to provide as a result of prevailing market conditions; and
- the costs associated with maintaining a listing on AIM are now disproportionate to the value provided by the listing.

3. EFFECTS OF THE PROPOSAL ON SHAREHOLDERS

The principal effects of cancellation of the Company's AIM admission to trading will be:

- (a) there will no longer be a formal market mechanism enabling Shareholders to trade their ordinary shares in the Company through the AIM market. Shareholders will continue to be able to hold their ordinary shares in uncertificated form;
- (b) the Company will no longer be able to raise capital via the AIM market;
- (c) the Company will not be required to make notifications pursuant to the AIM Rules; and
- (d) time and costs spent in meeting the AIM Rules and related regulatory requirements, including reporting, disclosure and corporate governance requirements for quoted companies will be eliminated.

The Company will endeavour to continue to provide a number of the same facilities and services to Shareholders which are currently enjoyed as Shareholders of an AIM company. In particular the Company will:

- continue to send Shareholders copies of the Company's audited annual accounts;
- maintain the Company's website, www.eeti.co.uk, to keep Shareholders informed of developments; and
- continue to hold general meetings in accordance with the applicable statutory requirements under The Companies (Guernsey) Law 2008 (as amended) and the Company's articles of association.

The Board asked Scribona to consider a tender offer for the shares of other Shareholders or otherwise support the provision of an exit facility to enable those Shareholders who may wish to do so to realise their interests at a fair market value. Scribona has declined to make a tender offer or support such an exit facility at this time.

Accordingly, Shareholders who wish to realise their investment in the Company in the event that the Delisting Resolution is approved should consider selling their interests in the market prior to the Delisting becoming effective. In accordance with the guidance notes on AIM Rule 41, cancellation of the Company's listing on AIM will not take effect until at least 5 clear business days ("business day" being any day upon which the London Stock Exchange is open for business) have passed following the passing of the Delisting Resolution. If the Delisting Resolution is passed, it is proposed that the Delisting will take effect at 7.00 am (UK time) on Wednesday 8 July 2009.

In the event that the Delisting Resolution is approved and the Delisting proceeds, there will be no market facility for dealing in the ordinary shares of the Company and no price will be publicly quoted for the ordinary shares in the Company as from close of business, being 4.30 pm, on Tuesday 7 July 2009. As such, interests in the Company's ordinary shares are unlikely to be readily capable of sale and where a buyer is identified, it will be difficult to place a fair value on any such sale.

While there can be no guarantee that Shareholders will be able to sell any ordinary shares in the Company, any Shareholder seeking to do so following the Delisting should contact the Company Secretary and Administrator of the Company (Anson Fund Managers Limited) in writing at PO Box 405, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3GF. The Company Secretary and Administrator of the Company (Anson Fund Managers Limited) will then be able to advise as to whether the Board is aware of any prospective buyers for any ordinary shares in the Company which the holder thereof wishes to sell at that time.

Shareholders should note that the Company's ordinary shares will continue to be traded on AIM until the close of business, being 4.30 pm, on Tuesday 7 July 2009 but Admission to trading will be cancelled at 7.00 am on Wednesday 8 July 2009.

4. RISKS ASSOCIATED WITH THE DELISTING

The Board would highlight to Shareholders that there are certain risks associated with the Company no longer retaining its listed company status. These include the following:

(i) Lack of a trading platform

As an unlisted company, there will no longer be a formal market mechanism for Shareholders to trade in the ordinary shares of the Company and no price will be publicly quoted for the ordinary shares in the Company, such that it may be more difficult for holders to realise their interests compared to companies listed on AIM, and even where a buyer is identified, it will be difficult to place a fair value on the sale of any ordinary shares in the Company to such buyer.

(ii) *Corporate governance and regulation*

As an unlisted company, the levels of transparency and corporate governance may not be as stringent as a listed company and the AIM Rules would no longer apply. Scribona have given no indication to the Board of what their intentions are as to the Board's composition after the Delisting. However, given the size of Scribona's shareholding in the Company Scribona do have the ability to determine the composition of the Board. Depending on Scribona's wishes, there may therefore be no further independent non-executive representation on the Board after the Delisting.

(iii) *Limited protection for minority shareholders*

As an unlisted company with a controlling shareholder, Shareholders will no longer have the protections afforded by the AIM Rules and will only be able to rely on the protections afforded to minority shareholders under Guernsey law.

The above risks are non-exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Delisting on them.

5. EXPECTED TIMETABLE OF PRINCIPAL EVENTS

In accordance with AIM Rule 41, the Company has today notified the London Stock Exchange of its intention to cancel its admission to trading on AIM in its ordinary shares. Set out below is the expected timetable of events:

Publication of this circular and announcement of the EGM	9 June 2009
Latest time and date for receipt of completed Forms of Proxy to be valid at the EGM	10.30 am on Saturday 27 June 2009
Time and date of the EGM	10.30 am on Monday 29 June 2009
Time and date on which cancellation of admission to trading on AIM becomes effective	7.00 am on Wednesday 8 July 2009

Each of the times and dates in the above timetable is subject to change. If any details in the above timetable should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

6. RESOLUTION TO BE PROPOSED AT THE EGM

You will find set out at the end of this document a notice convening the EGM to be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ at 10.30 am on Monday 29 June 2009.

At the EGM, the Delisting Resolution to cancel the admission of the Company's ordinary shares to trading on AIM will be proposed. To be passed, the Delisting Resolution requires a majority of not less than 75 per cent. of votes cast.

If the Delisting Resolution is approved, it is expected that Delisting will take effect at 7.00 am on Wednesday 8 July 2009.

7. ACTION TO BE TAKEN

Shareholders will find enclosed with this letter a Form of Proxy for use in connection with the EGM. Whether or not you intend to attend the EGM, you are requested to complete and return the Form of Proxy (in accordance with the instructions printed thereon) so as to arrive at the Company's Registrar, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX, as soon as possible and, in any event, no later than 10.30 am on Saturday 27 June 2009.

You are entitled to appoint a proxy to attend and vote instead of you. However, the completion and return of the Form of Proxy will not prevent you from attending the EGM and voting in person if you wish to do so.

If you are in doubt with regard to your current shareholding in the Company's ordinary shares or have any queries on the Form of Proxy you should contact the Company's Registrar, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX on the following telephone number: from the United Kingdom 01481 711 301 and internationally +44 1481 711 301.

The attention of Shareholders is also drawn to the voting intentions of Scribona, a substantial shareholder, who has indicated that they will vote in favour of the Delisting Resolution.

Yours faithfully

Robin Monro-Davies
Non-executive Chairman

European Equity Tranche Income Limited

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey Channel Islands GY1 1EJ at 10.30 am on Monday 29 June 2009 for the purposes of considering and, if thought fit, passing the following resolution, which is being proposed as a special resolution:

SPECIAL RESOLUTION

“That the admission of the Company’s ordinary shares to trading on AIM be cancelled.”

BY ORDER OF THE BOARD

Anson Fund Managers Limited
Company Secretary
9 June 2009

Registered office:
Anson Place,
Mill Court
La Charroterie
St Peter Port
Guernsey GY1 1EJ

Notes:

- 1) A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend, speak and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
- 2) A form of proxy is enclosed for the use of members. Completion and return of such a form of proxy will not prevent a member from attending the meeting hereby convened and voting in person should the member wish to do so. To be valid, the form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company’s Registrar, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX, not later than 48 hours before the time of 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 a meeting at which the poll was demanded.
- 3) In the case of a corporation, the form of proxy must be executed under its common seal or the hand of an officer or attorney duly authorised.
- 4) 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.
- 5) 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.
- 6) Members must have been entered on the Company’s register of members not less than 48 hours before the holding of the meeting or any adjourned meeting in order to be entitled to attend and vote at the meeting. Changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

European Equity Tranche Income Limited

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

FORM OF PROXY EXTRAORDINARY GENERAL MEETING

I/We the undersigned, (block letters)
of (block letters, address in full),
being the holder(s) of *..... ordinary shares of the Company, HEREBY APPOINT the Chairman of the Meeting or
a representative of the Company Secretary (such appointment being at the discretion of the Company Secretary) or
(Note 1) **..... of
as my/our Proxy to attend and to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the
Company to be held at Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey, Channel Islands GY1 1EJ at
10.30 am on Monday 29 June 2009 and at any adjournment thereof.

Notes: * If no number is inserted, voting will be applied to your total holding. **If it is desired to appoint as proxy any person other than the Chairman of the Meeting or a representative of the Company Secretary, his/her name and address should be inserted in the relevant place and reference to "the Chairman of the Meeting or a representative of the Company Secretary (such appointment being at the discretion of the Company Secretary) or" deleted and the alteration initialled.

I/We direct that my/our votes be cast on the special resolution as indicated by an "X" in the appropriate box.

Special Resolution	For	Against	Withheld
That the admission of the Company's ordinary shares to trading on AIM be cancelled			

Dated this day of 2009

Signature

Full name(s) in which Ordinary Shares are registered

PLEASE USE BLOCK LETTERS

Notes:

- 1) A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend, speak and, on a poll, vote instead of him or her. A proxy need not be a member of the Company. If you wish to appoint some other person as your proxy please insert his/her name and address and delete "the Chairman of the Meeting or a representative of the Company Secretary (such appointment being at the discretion of the Company Secretary) or". If you do this and you or your proxy do not go to the meeting, your vote cannot be counted.
- 2) Appointing a proxy will not preclude you from personally attending and voting at the meeting (in substitution for your proxy) if you subsequently decide to do so.
- 3) Please indicate with an "X" in the appropriate box how you wish your votes to be cast. Unless otherwise instructed the proxy will exercise his/her discretion as to whether, and if so how, he/she will vote. The "Withheld" option is provided to enable you to abstain on the resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" the resolution.
- 4) 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.
- 5) In the case of a corporation, the form of proxy must be executed under its common seal or the hand of an officer or attorney duly authorised.
- 6) Members must have been entered on the Company's register of members not less than 48 hours before the holding of the meeting or any adjourned meeting in order to be entitled to attend and vote at the meeting. Changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 7) To be valid, the form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company's Registrar, Anson Registrars Limited, PO Box 426, Anson Place, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3WX, not later than 48 hours before the time of 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 a meeting at which the poll was demanded.
- 8) In the case of joint holders the vote of the senior who tends a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other 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.

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Channel Islands or Northern Ireland

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Anson Registrars Limited,
PO Box 426,
Anson Place,
Mill Court,
La Charroterie,
St Peter Port,
Guernsey GY1 3WX

First fold

Third fold
And tuck in flap opposite

