This document, which comprises listing particulars relating to the Company, has been prepared in accordance with the Listing rules of the UK Listing Authority made pursuant to Section 74(4) of the Financial Services and Markets Act 2000. A copy of this document has been delivered to the Registrar of Companies in England and Wales in accordance with Section 83 of the Financial Services and Markets Act 2000.

The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to the UK Listing Authority and to the London Stock Exchange for all of the issued Ordinary Shares of the Company to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 17 December 2004.

No Ordinary Shares have been marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in connection with Admission to the Official List.

PLEASE NOTE THE SECTION ENTITLED "RISK FACTORS" IN PART 2 OF THIS DOCUMENT. ALL STATEMENTS REGARDING THE GROUP'S BUSINESS SHOULD BE VIEWED IN THE LIGHT OF THESE RISK FACTORS.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO ANY PERSON TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES IN THE COMPANY OR ANY OTHER ENTITY.

Centaur Holdings plc

(Incorporated in England and Wales with registered no. 4948078)

Admission to the Official List and to trading on the London Stock Exchange's market for listed securities

Sponsor and Broker

NUMIS SECURITIES LIMITED

Ordinary Share Capital

(immediately following Admission)

Authorised			*Issued and fully paid*	
Amount	*Number*		*Amount*	*Number*
£20,000,000	200,000,000	Ordinary Shares of 10p each	£14,799,411.80	147,994,118

Numis is authorised and regulated by the Financial Services Authority and is acting exclusively as sponsor and broker for the Company and no-one else in connection with Admission. Numis will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Numis nor for providing advice in relation to the transactions and arrangements detailed in this document. No representation or warranty, express or implied, is made by Numis as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

Copies of this document will be available free of charge during normal business hours on any weekday (except public holidays) at the offices of Numis Securities Limited, Cheapside House, 138 Cheapside, London EC2V 6LH and at the offices of the Company, St. Giles House, 50 Poland Street, London W1F 7AX for a period of one month from Admission.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors

Graham Veere Sherren	*(Chairman and Chief Executive Officer)*
Geoffrey Tristan Descarriers Wilmot	*(Chief Financial Officer)*
Colin Morrison	*(Non-executive Director)*
Basil Thomas Richard Scruby	*(Non-executive Director)*
John Patrick Enfield Taylor	*(Senior Non-executive Director)*

all of St. Giles House, 50 Poland Street, London WIF 7AX

Company Secretary

Ian Paul Hartin Roberts

Sponsor and Broker

Numis Securities Limited
Cheapside House
138 Cheapside
London EC2V 6LH

Solicitors to the Company

Travers Smith
10 Snow Hill
London EC1A 2AL

Reporting Accountants

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

Auditors

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6RH

Principal Bankers to the Company

National Westminster Bank PLC
20 Dean Street
London
W10 3RU

Registrars

Share Registrars Limited
Craven House
West Street
Farnham
Surrey GU9 7EN

Public Relations Advisers

Gavin Anderson & Co. (UK) Limited
85 Strand
London WC2R 0DW

PART 1

Information on the Group

1. Introduction

Centaur is a business magazine publisher and exhibition and conference organiser. Its portfolio of 24 magazines includes titles in seven important sectors of the business community (marketing, financial services, creative services, legal services, new media, construction and engineering). Centaur has extended a number of its magazine brands across a range of platforms including exhibitions, conferences, award events and online services. In addition, its subsidiary, Perfect Information, provides corporate information from an electronic library of regulatory filings.

The Company acquired the entire issued ordinary share capital of CCL from its shareholders in consideration for cash, Ordinary Shares and Loan Notes valuing CCL at approximately £145 million at the Placing Price and the Ordinary Shares were admitted to trading on AIM on 10 March 2004.

2. Overview of the business

Since it was founded in 1982, Centaur's publishing business has predominantly grown organically through magazine launches and brand extensions. Its principal brands are currently *Marketing Week, Money Marketing, Mortgage Strategy, Creative Review, Design Week, The Lawyer*, *NMA* and *Homebuilding & Renovating*. Together, these titles accounted for approximately 40 per cent. of the Group's revenue for the year ended 30 June 2004.

The table below illustrates the range of Centaur's products in each of its divisions for the year to 30 June 2004:

Product	*Marketing*	*Financial*	*Legal*	*Creative*	*New Media*	*Construction*	*Engineering*	*Other*	*Total*
Weekly magazine	2	3	1	1	1				8
Fortnightly magazine							1		1
Monthly magazine	1	2		2		2	3		10
Bi monthly magazine						1		1	2
Quarterly magazine		1	1	1					3
Newsletter	1							1	2
Exhibitions	3	5				5	1	6	20
Conferences	63	2	14				11	10	100
Awards/Events	5	9	3	4			1	3	25
Annuals/Books	6	1		4		2		1	14
Online services	1	3	1		1	4	2	3	15

Publishing revenue is generated primarily from advertising (including display and recruitment) but also through subscription and copy sales. Perfect Information's revenue is generated primarily from subscriptions and payments per downloaded image.

Centaur's revenues follow a distinct seasonal pattern, peaking between September and November, and again in early spring. This pattern is driven by display advertising, and also by conferences and exhibitions, which are most frequent in the spring and autumn. Display advertising usually falls in December as there is often a week with no publication over Christmas. In the summer, many target audiences are on holiday, so display advertisers generally take less space in July and August. Adjusted EBITDA follows a similar pattern to revenues, again highlighting the high operational gearing of the business. Central overheads tend to be relatively stable throughout the year.

The Directors believe that adjusted EBITDA is the most appropriate measure of profitability in businesses such as Centaur, which while not capital intensive, do incur amortisation and impairment of intangible assets and exceptional expenditure that can distort profitability. The Directors believe that adjusted EBITDA, which removes such distortions, therefore facilitates comparisons between such companies.

The following tables (which have been extracted without material alterations from the Accountants' Report set out at Part 3 of this document) illustrate the sources of turnover from continuing activities for the Group for the year to 30 June 2004.

Analysis by community

	£'000
Marketing, creative and new media	23,911
Legal and financial	25,776
Construction and engineering	12,530
Other	6,037
	68,254

Analysis by source

	£'000
Printed products	37,224
Electronic products	9,981
Exhibitions and conferences	19,722
Other	1,327
	68,254

3. Strategy

Publishing business

Centaur's strategy is to differentiate its business by serving its markets, wherever possible, with weekly publications. This frequency provides editorial staff with detailed market information which the Directors believe allows Centaur to build readership bases attractive to advertisers. This strategy also provides opportunities for a range of revenue streams including display, service, classified and recruitment advertising, subscriptions and, in certain markets, bookstall sales.

Established weeklies depend on the health of the sector they serve. Although they are likely to be affected by a downturn in their sector, they should see increased revenues in an improved economic environment. Where a weekly is a recognised and trusted brand, it can form the basis of profitable brand extensions such as specialist monthlies, directories, online services, conferences and exhibitions. This strategy has been at the core of Centaur's growth since its inception in 1982 and is likely to be the basis of any future organic growth.

One of the most successful examples of this strategy of building on existing brand strength to date is *Marketing Week*. Ancillary publications, such as *Precision Marketing* and *In-Store,* have been built up around this market-leading weekly title as well as newsletters, journals and industry directories. Related conferences, exhibitions and award ceremonies have also been added, generating revenue as well as helping to strengthen the *Marketing Week* brand. In addition, the online portal, *mad.co.uk,* utilises the *Marketing Week* brand.

Perfect Information

Perfect Information seeks to compete with the dominant providers of corporate information through product functionality and customer service. It aims to expand into what the Directors believe to be the potentially lucrative US market and to grow its product offering.

4. Organisation and culture

Centaur's business has a largely decentralised structure, with separate divisions generally focused on distinct market sectors. The principal exceptions to this are the exhibitions and conferences divisions whose primary objectives are to develop profitable brand extensions across each of the market sectors targeted by the publishing divisions.

To support the publishing divisions, Centaur operates a central service infrastructure comprising IT support, accounting, circulation, marketing, personnel, art and various legal, administrative, risk management and property services, enabling the Group and each profit centre to benefit from economies of scale in those areas.

Centaur outsources all significant reproduction, print, paper supply and distribution functions.

5. Operations

As described in the table above, Centaur's portfolio in the year ended 30 June 2004 included the following products:

- Eight weekly magazines, one fortnightly magazine, ten monthly magazines, five quarterly or bi-monthly magazines and two monthly newsletters;
- 20 exhibitions, 100 conferences and 25 awards or sponsored events;
- 14 annuals or books; and
- 15 internet portals and other online information services.

Many of Centaur's titles are distributed on a controlled circulation basis, i.e. they are mailed free-of-charge to those individuals who meet certain qualifying criteria. In other cases, titles are available either on subscription or through newsstands.

As described in the Accountant's Report set out in Part 3 of this document, in the year to 30 June 2004 the Group derived just over half of its revenue from advertising and almost a third of its revenue from exhibitions, conferences, awards and other events. The remaining revenue was derived from subscriptions, copy sales and miscellaneous activities.

Of its magazines, the Group's top magazines (*Marketing Week, Mortgage Strategy, Design Week, Creative Review, Money Marketing, The Lawyer, Homebuilding & Renovating* and *NMA*) accounted for approximately 40 per cent. of Group revenue for the year ended 30 June 2004 and have been largely responsible for the cyclical fluctuations in Centaur's revenue.

The Company considers new product development to be of vital importance. Over the last three years the Company has launched a variety of new products including *Brand Buyer's Guide, Televisual Handbook, Mortgage Strategy, Headline Money, Employee Benefits Book, e4 production, Lawyer 2B, propertyfinderfrance* and *Finance Week*.

The following sections provide an overview of the operations of each of the divisions of the business.

(i) Marketing

Centaur's products in this division target marketing services, advertising and media in the UK.

The marketing industry enjoyed significant growth up to 2001, fuelled by a burgeoning economy and the dotcom boom. However, the biennial British Business Survey 2003 dated 17 September 2003 ("BBS 2003") estimated the size of the UK marketing community at 366,000 individuals, down 24 per cent. from 2000. Similarly, advertising spend declined in 2001, 2002 and 2003. Over the past year, there has been evidence that advertising spend is increasing. This is supported by the Bellwether Report for the third quarter of 2004 dated 19 October 2004 in which the report's authors, the Institute of Practitioners in Advertising, stated that its outlook for advertising on television and radio, and in newspapers and magazines is particularly encouraging.

Products

Marketing Week was launched in 1978 and acquired by CCL in 1982. It is a leading weekly title in its sector with an estimated readership of 72,000, 18 per cent. larger than the next publication in the market (source: BBS 2003). The title serves three distinct communities: client marketing professionals (predominantly middle to senior management); agency personnel (both advertising and marketing service agencies) and media personnel (both media owners and media planners/buyers).

The title circulates to an average of approximately 37,000 individuals each week. Around 70 per cent. of circulation is despatched on a controlled circulation basis with qualification based on status and responsibility for a defined level of marketing spend/billings. The remainder is sold on subscription and through bookstalls.

Other product offerings in this division include the weekly magazine *Precision Marketing*, the monthly magazine *In-Store*, the journal *Brand Strategy* and the portal *mad.co.uk*. In addition 3 Centaur exhibitions and 63 Centaur conferences were organised for this sector in the year to 30 June 2004. Centaur exhibitions and Centaur conferences are discussed further at paragraphs 5(ix) and (x) below.

(ii) Financial Services

Centaur's products in this division are targeted at the UK personal financial services industry (in particular the approximately 4,000 firms employing Independent Financial Advisers ("IFAs") responsible for selling life, pension, investment and mortgage business) as well as, to a much lesser extent, HR professionals.

Financial services products are sensitive to economic factors such as interest rate movements and stock market confidence. For instance, changes in mortgage rates stimulate advertising activity as lenders adjust their product ranges and an increase in stock market confidence increases the likelihood of consumers approaching an IFA for financial advice and therefore stimulating activity in this sector. Regulatory and tax changes (such as the changes proposed to pensions in 2006) can also drive advertising activity, even in a generally negative economic environment.

The publishing market serving the financial services industry has at least 14 regular titles. Of these titles, nine are published weekly, of which Centaur publishes three. All the titles in this division operate a policy of predominantly controlled circulation.

In total Centaur operates nine annual events and three websites targeted at this community. Each magazine title provides a platform for related events and products. For instance, the *Money Marketing* brand is the basis for one of the biggest awards events in the industry, a news-oriented website called *Money Marketing Online* and a series of exhibitions.

Money Marketing was launched in 1985 as a weekly controlled circulation publication for IFAs. Since then it has established itself as a market-leading title across the UK IFA market with comprehensive news and analysis, in particular in relation to regulatory issues that are business-critical to IFAs.

Other offerings include the weekly magazines *Fund Strategy* and *Mortgage Strategy*, the monthly magazine *Employee Benefits*, the online service *Headline Money* and a series of related exhibitions and conferences.

In November 2004 the division launched *Finance Week*, the first news weekly aimed solely at senior accountants working within the corporate sector. *Finance Week* is circulated free of charge to corporate accountants in the UK including chief financial officers, financial controllers and other senior financial managers.

(iii) Creative

This division targets designers working largely in design consultancies, and creative personnel working in advertising and marketing services companies and TV production. Centaur's publications cover a range of disciplines from photography and interiors through product and packaging design to the creation of TV commercials and programmes.

Centaur serves the creative community with three regular publications, each of which provides a platform for brand extensions.

Design Week is a paid-for-magazine which was launched in 1986. It is the UK's only weekly title for designers working in the commercial design sector. Centaur publishes three directories and a web-based directory and organises two annual events, Design Week Awards and Design Week Forum. *Design Week*'s content and direct recruitment advertisements are included in the offering provided by *mad.co.uk.*

Creative Review is a paid-for monthly magazine for graphic designers, advertising agency creatives, new media designers, clients, photographers, directors and television producers.

Televisual is a monthly title for the TV production community.

(iv) Legal Services

The legal arm of this division principally targets "in-house" lawyers, the top 100 UK corporate law firms and the barristers who serve them. Centaur's anchor product in the legal community is the controlled circulation weekly magazine, *The Lawyer*. Recruitment advertising is a particularly important source of revenue to weekly magazines in this sector. *The Lawyer's* revenues are therefore sensitive to the cyclical nature of the economy.

The Lawyer brand has been the basis for the development of additional media including events, conferences and other publications. In addition, *TheLawyer.com* was launched in 1999 and it currently provides services including *Lawyer Jobs, Lawyer News* and *Lawyer Diary*. Its principal focus is on the business of the law rather than the law itself which distinguishes it from its formerly owned service *Lawtel*, an online database of case law and statutes, which was a business acquired by CCL in 1994 for approximately £250,000. After a period of development under the existing management of Centaur's legal division, this business was sold in August 2002 for approximately £17 million.

(v) New Media

In the new media community, Centaur targets those responsible for using interactive channels, such as the internet, as a route to market. The Directors believe the market for Centaur's new media products is growing. This view is supported by The Institute of Practitioners in Advertising's Bellwether Report for the third quarter of 2004, which stated that a net 18 per cent. of UK companies surveyed reported an upward revision to their marketing budgets during the quarter. The Directors believe the growth in value of the online shopping market and online advertising market should lead to growth in the market for Centaur's products serving the new media community.

The paid-for weekly magazine *NMA* (previously *New Media Age*) was launched in 1995 and is an established title in this sector. This has enabled it to develop the following products: the annual *New Media Age Effectiveness Awards*, monthly sponsored workshops and networking events and the portal *nma.co.uk* which contains content from the magazine. A new awards event, the *Interactive Marketing & Advertising Awards*, was launched in November 2004 and a new exhibition, Online Marketing, is planned for June 2005. Both of these events are organised in conjunction with *Marketing Week*. The magazine accounted for most of the Group's revenues in this division for the year to 30 June 2004.

(vi) Construction

Centaur focuses on two distinct subsets of the construction sector:

— consumers in the "self-build" homebuilding market; and

— architects, builders and other associated trade professionals seeking information on new products.

Demand for this division's products is therefore dependent upon the performance of these sectors of the construction industry. After a severe downturn in the 1980s, the UK construction industry grew steadily in the late 1990s with increased private and government expenditure in both public works and the residential housing sector.

Centaur's *Homebuilding & Renovating* is a leading monthly specialist consumer title in this sector covering all aspects of creating or renovating a home. Centaur now owns and runs five shows, providing a key marketing advantage to the magazine in attracting new readers. *Homebuilding & Renovating's* revenue has shown consistent growth for over a decade.

Centaur also publishes *Architect Builder Contractor & Developer*, a monthly magazine providing industry buyers with an update on suppliers of new products, materials and technology and *Public Sector Building*, a magazine published six times a year which provides a similar service for local authorities. Online offerings consist of *Homebuilding.co.uk*, an online resource for self-builders and renovators including a comprehensive directory of suppliers and *Plotfinder.net*, a searchable national database of land for sale. In 2004 the business launched a new book *How to Renovate a House in France* which, with its associated website, *propertyfinderfrance.net*, helps individuals looking to buy property in France.

(vii) Engineering

Centaur's engineering division, in particular *The Engineer*, targets engineering professionals in the original equipment manufacturing sector which are believed by the Directors to constitute approximately 80 per cent. of the sector's turnover.

The Cap Gemini Ernst & Young/Chartered Institute of Purchasing report, dated 26 January 2004, indicates that 61 per cent. of manufacturers expect profits to rise, whilst only 18 per cent. predict a fall. The Confederation of British Industry's latest survey, issued on 26 October 2004, reported an increase in output for the fourth successive quarter. Similarly, 31 per cent. of manufacturers reported higher orders against 27 per cent. reporting a fall — a positive balance of 4 per cent. The Directors believe that this increase in the sector's underlying performance could lead to increased advertising expenditure in this sector.

The Engineer was launched in 1856 and serves the UK's engineering technology community. The publication now incorporates the previously stand-alone title, *Design Engineering*. Since Centaur acquired its range of engineering and manufacturing publications in 1999, *The Engineer*'s editorial focus has been redirected away from general engineering to the high end of the market, that is, new applications and transferable technology, as well as tightening the controls on circulation and reducing the cost base of the magazines. All of the magazines in this division are distributed on a predominantly controlled circulation basis.

Other offerings are the monthly magazines, *Metalworking Production, Process Engineering* and *What's New in Industry* and related events and websites.

(viii) Other Publications

Hali

Hali, a specialist magazine for buyers and sellers of antique carpets and textiles is a subscription magazine published six times a year.

The associated website *hali.com* gives magazine subscribers access to its archive and auction price guide.

publicprivatefinance

Centaur also publishes the *publicprivatefinance* newsletter, which provides news, analysis and data on private finance initiatives and other public/private partnership projects.

The newsletter and associated online database is available largely on subscription (£545 for a single-user). As well as subscription revenue, *publicprivatefinance* publishes various supplements (which provide advertising revenue), hosts the annual PPF Awards and runs a conference programme in conjunction with Centaur Conferences.

(ix) Centaur Exhibitions

Centaur Exhibitions was launched in July 1993 and has grown significantly over the last 11 years. Centaur's strength lies in creating focused exhibitions in the trade and specialist-consumer sectors. This division operates in six main sectors: marketing services, "self-build" homebuilding, business travel, employee benefits, engineering and financial services. With the exception of the Business Travel shows (for which Centaur receives seventy per cent. of profits, with the remainder being paid to a third party pursuant to a joint venture arrangement) these exhibitions have been built around Centaur's publications and their served markets.

The Directors believe that a key performance indicator of the success of an exhibition is the percentage of stand space that is re-booked on-site at an exhibition for the next year's show. On average, Centaur's exhibitions division secures re-bookings for the following year's exhibition on 60 per cent. of its stand space. These re-bookings are supported by a deposit and, in the experience of the Directors, provide relatively good visibility of future revenue.

Revenues are derived principally from stand sales, sponsorship and seminar delegate fees. The Directors believe that the exhibitions division is at an early stage of its growth cycle. The largest revenue generators are the Homebuilding and Renovating Show and Business Travel London Show. Business Travel has recently expanded into Hong Kong and Germany.

(x) Centaur Conferences

The conference business operates within a number of the sectors targeted by Centaur's publications, leveraging these brands to give recognition to the events that it organises. In return, the Directors consider that successful conferences can enhance a brand's reputation for delivering valuable information and networking opportunities.

Centaur has operated a conference business for over 15 years. Historically, the conferences have principally operated under the *Marketing Week* brand with a limited number of legal conferences using *The Lawyer* brand. However, the current management team, under new direction since 2001, has expanded the portfolio to include conferences leveraging *The Engineer, Money Marketing* and *publicprivatefinance* brands as well as running some events in areas outside the markets targeted by Centaur's publishing business using the Centaur conferences brand.

(xi) Perfect Information

Perfect Information provides desktop access to an integrated electronic library of regulatory filing, including original company documents and reports & accounts. Access is provided using direct, local and wide area networks and revenues are generated primarily through annual subscriptions and payments per downloaded image.

Perfect Information's customers include investment banks, corporate stockbrokers, law firms, accountancy practices, investment fund managers, management consultants, venture capitalists and public companies.

Document searching employs an indexed hierarchical classification system containing some 3,000 financial references. Using Perfect Information's "lmageSearch" software, users can now carry out free-text searches across an archive of images dating back to 1990 providing access to over five million scanned global corporate filings.

In October 2003 Perfect Information acquired Synergy. This company's products have been re-launched as *Perfect Analysis*, a data research, analysis and reporting application for investment banks, corporate finance, fund management, law firms and academic institutions. Developed in conjunction with leading suppliers of global market data, its offering includes display, charting and analytical software combined with a variety of sources of financial information.

Perfect Information is also seeking to expand in the US, a market which the Directors believe accounts for a significant proportion of the global demand for financial data.

6. Market overview

(i) Business Publishing

Business to Business ("B-to-B") advertising is closely linked to the performance of the overall economy as spending is largely discretionary. The industry enjoyed a period of sustained and steady growth up to 2000 when the advertising market for business and professional magazines in the UK peaked at £1.27 billion. In keeping with the buoyancy of the market, in the year to 30 June 2001 Centaur generated record total revenues of over £76 million.

The end of the technology boom and the general worldwide economic slowdown had a heavy impact on business publishers. By the end of 2002 the UK's B-to-B advertising market had dropped by over 14 per cent. to below £1.09 billion, the lowest level since 1996. Advertising expenditure in B-to-B magazines in the year to 30 June 2004 represented 13 per cent. of total press expenditure.

Over the past year there has been evidence that sentiment in the market is improving such as the findings in the Bellwether Report for the third quarter of 2004 referred to in paragraphs 5(i) and 5(v) above.

The market for business and professional magazines is highly fragmented, with a variety of publishers operating in a large number of small markets, each serving a separate group or sub-group of the business or professional communities.

(ii) UK Exhibitions

There are many companies operating in the UK exhibitions market. The Exhibition Venues Association estimated in their most recent survey in 2004 that the UK exhibitions market is valued at just under £1.7 billion (based upon figures compiled in 2003). The following table shows the fluctuations in the size of the market in the last four surveyed years.

Total UK Exhibitions (Trade and Consumer)	*2000*	*2001*	*2002*	*2003*
Number of exhibitions	868	823	855	856
Net Space (m^2 million)	3.7	3.1	3.4	3.1
Gross Space (m^2 million)	7.6	6.9	7.0	6.1
Visitors (million)	11.1	9.1	10.3	8.7

Source: Exhibition Venues Association Report 2003 and 2004

Trade shows remain a valuable opportunity for exhibitors to meet face to face with existing and potential clients. The Directors believe that, rather than not attending an exhibition, exhibitors will typically look to reduce costs in other ways such as taking less stand space.

(iii) UK Conferences

The Directors believe that the UK conference market is highly fragmented, both in the number of companies that operate in it and the venues that they use. There are a number of major global conferencing companies that operate in the UK market, including IBC (part of Informa Group plc), SMi Group Limited and IQPC Limited. Centaur's conferences division competes with these companies in some of its markets, principally law, new media, marketing, transport and public private finance. In addition, there are a large number of smaller UK-based conferencing companies offering a smaller range of conferences. Finally, many business publishers also operate conferences to a greater or lesser degree in their publishing markets.

7. Financial information

The table below sets out the summary financial information of Centaur for the three years ended 30 June 2004. This financial information has been extracted without material alterations from the Accountants' Report set out in Part 3. Investors should read the whole of this document and not rely solely on the summarised information. This information should be read in conjunction with the section "Current trading and prospects" set out below and the Accountants' Report set out in Part 3.

Results from continuing operations and acquisitions

	12 months to 30 June		
	2002 (£'000)	*2003 (£'000)*	*2004 (£'000)*
Turnover	63,327	61,995	68,254
Adjusted EBITDA	5,648	6,528	8,823

The Group experienced a significant reduction in both revenue and profitability in the year to June 2002. This was attributed to the economic downturn, which adversely impacted the advertising and recruitment markets from which the Group derives a large part of its income. This economic downturn continued in the year ended June 2003, impacting all of the Group's publishing divisions with the exception of construction, where the strength of the housing market and the interest in the consumer self-build sector, partly as a result of regular exposure on television, has helped to sustain both the advertising market and demand for information in this sector. The revenue reductions in the other publishing divisions during this period were partially mitigated by growth in the exhibitions and conferences divisions and this growth combined with cost reductions across the portfolio, led to increased profits for the Group in the year to June 2003. The economic environment improved in the year to June 2004, with a resulting growth in advertising volumes experienced by the Group in the second half. This led to a marked increase in revenues and profits in the year to June 2004.

Each division has a relatively high fixed cost base (principally staff costs) and therefore a significant level of operational gearing and, as a result, profit margins also improved in the year to June 2004.

8. Current trading and prospects

Advertising revenues for the four month period ending 31 October 2004 were significantly higher than in the same period in the previous year. Revenues from exhibitions and conferences also grew strongly in the same period, in part as a result of the launch of two new trade shows in September 2004 — Total Motivation Show and Business Travel Dusseldorf. As a result, total revenues recorded in the four month period were 13 per cent. ahead of the same period in the previous year.

Centaur also launched, in November 2004, a new weekly magazine for corporate accountants, called *Finance Week*. This is expected to incur significant start-up operational losses in its first year of publication but the Directors believe that it has good potential for growth in revenues and profitability in the future.

Despite the pre-launch costs of *Finance Week*, the trading performance of the Group for the period to 13 December 2004 (being the latest practicable date prior to the publication of this document) has been satisfactory and in line with the Directors' expectations.

It should be noted, as stated above, that due to seasonal factors, the Company earns the majority of its profits in the period from February to June each year. Accordingly, the profits that have been earned in the first four months of the year are expected to represent a relatively small proportion of total annual profits.

However, due to the nature of Centaur's business, the Directors believe that there is little forward visibility of levels of demand for much of the business. This is particularly true of advertising and conferences revenues, where orders are taken up to the day of publication or of the event in question. It is therefore not possible to predict that the overall revenue and profits growth recorded in the four month period to 31 October 2004 will continue throughout the rest of the financial year to 30 June 2005.

Notwithstanding these factors, the Directors are confident of the Company's future prospects particularly having regard to the strength of its brand portfolio.

9. Reasons for Admission to the Official List

The AIM Admission provided a means of access to the equity financing required for the purpose of the Acquisition. While it was not practical to seek admission to the Official List at the time of the Acquisition (due to the more limited control that the Company would have over the timing of such an admission and the requirement that admission to trading on a regulated market took place within the relatively short exclusivity period that the vendors of CCL had granted to the Company), since the Acquisition it has been the Company's intention to seek admission to the Official List as soon as reasonably practicable.

The Directors believe that due to the higher number of institutional investors who regularly trade in companies admitted to the Official List and the higher profile of such companies, the Company will be better placed to achieve improved liquidity in its shares when they are admitted to the Official List and to trading on the London Stock Exchange.

10. Directors and senior management

Brief biographies of the Directors and senior members of the Group's management team are set out below:

Directors

Graham Sherren, Chairman and Chief Executive Officer (aged 67)

Graham has spent most of his career running business-to-business publishing companies starting in 1964 with Product Journal Limited. In 1968, Product Journal Limited was acquired by Morgan Grampian plc. He was Chairman and Chief Executive Officer of Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1981 when he left to establish the Group.

Geoffrey Wilmot, Chief Financial Officer (aged 51)

Geoff joined the Group in September 1998 as Group Finance Director. He qualified as a chartered accountant with Binder Hamlyn in 1979. Immediately prior to joining CCL, he had been Chief Financial Officer of the legal and professional division within the Thomson Corporation since 1997. He has previously worked for Morgan Crucible plc in a variety of roles from 1981 to 1990 and as Finance Director of Dexion Group plc (1990 to 1996) and Scruttons plc (1996-1997).

Patrick Taylor, Senior Non-executive Director (aged 56)

Patrick was formerly Chief Executive Officer of GWR Group plc, the UK's largest commercial radio group ranked by licences and audiences. Before joining GWR, Patrick was group finance director of Capital Radio plc. A qualified chartered accountant, Patrick began his career at Coopers & Lybrand and became a partner with the practice in 1980, specialising in corporate finance. He is a non-executive director of The Future Network plc. Patrick became a Non-executive Director of the Company in February 2004 shortly before the AIM Admission.

Thomas Scruby, Non-executive Director (aged 69)

Tom was appointed a director of CCL in 1989. Since qualifying as a chartered accountant in 1957 he has held senior executive and non-executive positions in a range of public and private commercial businesses and corporate finance advisory organisations. He is non-executive chairman of Linguaphone Group Limited and Quester VCT plc, and a Non-executive director of Quester VCT 2 plc.

Colin Morrison, Non-executive Director (aged 54)

Colin is Chief Executive Officer of the UK division of Australian Consolidated Press. During 2001-3, he was Chief Operating Officer of The Future Network PLC, seeing the company through a period of successful reorganisation. He has managed B-to-B publishing operations in the UK for Reed and Emap, and consumer magazines in the Asia Pacific region and across Europe for Australian Consolidated Press and Axel Springer. Colin became a Non-executive Director of the Company in February 2004 shortly before the AIM Admission.

Senior Management

Annie Swift, Publishing Director, Marketing Division (aged 44)

Annie joined the Group in 1988 as publisher of *Creative Review*. She is now Publishing Director responsible for all marketing division activities including *Marketing Week, Precision Marketing* and *In-Store*. Prior to joining the Group, she worked at Haymarket Publishing in a range of management positions across marketing, advertising and design titles. Her last position at Haymarket was as Publishing Manager of a group of medical magazines.

Tim Potter, Publishing Director, Legal and Financial Services Divisions (aged 44)

Tim joined the Group in 1986 as a reporter. He was editor of *Money Marketing* and later publisher. He is now Publishing Director with responsibility for the legal and financial services divisions. He was responsible for developing *Mortgage Strategy* and *Fund Strategy* and is now launching *Finance Week*. Prior to joining the Group he was a local newspaper reporter.

Roger Beckett, Publishing Director, Creative Division (aged 44)

Roger joined the Group in 1981 and is Publishing Director responsible for *Design Week, Creative Review* and *Televisual* magazines and their related activities. He has spent most of his career at the Group and has worked on several other titles in the group including *Marketing Week* and *Precision Marketing*. Prior to joining the Group, he worked at United Trade Press, a business-to-business publisher now known as Wilmington Group plc.

Nigel Roby, Publishing Director, New Media and Engineering Divisions (aged 45)

Nigel joined the Group in 1995 and is Publishing Director responsible for *NMA* and its associated activities, for *The Engineer* and *Process Engineering* and for *publicprivatefinance*. Prior to joining the Group, Nigel worked at Haymarket Publishing for twelve years in new product development and as a publisher of both business and specialist consumer titles.

Robin Coates, Publishing Director, Construction Division (aged 48)

Robin joined the Group in 1988 and is the Publishing Director responsible for the construction division and Hali. He also has responsibility for group production matters, events and research & development. Previous roles at the Group including responsibility for the launch of *Precision Marketing* in 1988. Prior to joining the Group, he worked at Haymarket Publishing for ten years ultimately becoming one of its Group Publishing Managers having responsibility for the advertising titles *Campaign, Design & Art Direction, The Directory* and *Portfolio*.

Howard Sharman, Business Development Director (aged 51)

Howard joined the Group in 1984 as editor of *Marketing Week* and is Business Development Director with particular responsibility for the development of the Group's internet businesses. Since joining the Group, he has been publisher of *Marketing Week* and Publishing Director responsible for a range of businesses including Centaur's exhibitions division, *The Lawyer, Creative Review* and *Precision Marketing*. He previously worked for Haymarket Publishing for five years and was a freelance journalist for three years.

Calum Taylor, Director of Centaur Exhibitions and Conferences (aged 37)

Calum joined the Group in 1990 and is Managing Director of Centaur's exhibitions division. He started on the sales desk of *Marketing Week*, became Advertisement Director of *Money Marketing* and was launch publisher of *Employee Benefits*. After receiving an MBA from the London Business School he took over Centaur exhibitions in 2001 and overall responsibility for Centaur conferences in 2004.

Greg Simidian, Managing Director of Perfect Information (aged 37)

Greg joined Perfect Information in 1998 as Sales Director. Prior to joining PI, Greg was EMEA Sales Manager at Dow Jones for two years. He has been in the online industry for eight years and in various areas of sales for 15 years.

Mike Lally, Finance Director (aged 46)

Mike joined the Group in April 2001 having previously been Finance Director of the Informa Publishing Group. During his time at Informa he was involved in the management buy out of Lloyd's of London Press, the flotation of LLP plc and LLP's subsequent merger with IBC conferences to create the Informa Group. His previous roles include senior positions at The Financial Times, United News and Media and Reuters.

Ian Roberts, Company Secretary (aged 53)

Ian joined the Group in May 2000 becoming Company Secretary in October 2000. He qualified as a chartered accountant in 1974. Prior to joining Centaur he was managing director of CBS Private Capital Limited, a Lloyd's members' agent and a partner of Neville Russell (now Mazars). He previously worked for a financial advisory company, Partridge, Muir and Warren.

Judith Mann Selley, Director of Circulation and Information Services (aged 42)

Judith joined the Group in 1986. She started as a circulation assistant working on *Marketing Week* and the launch of *Design Week*. Judith has worked with the publishing team on all subsequent launches and has led the central circulation team since 1993. As the data expert within the business, she has also run the list-rental profit centre, Centaur Direct Marketing, for the past four years.

11. Corporate governance

The Board of Centaur is accountable to the Company's shareholders for good corporate governance. The statement below describes how the principles of corporate governance are now applied to the Company and the extent of the Company's compliance, during the period since the AIM Admission, with the provisions set out in Section 1 of the Combined Code.

The Board of Directors

The Board is responsible for the Group's systems of corporate governance and is ultimately accountable for the Group's activities, strategy and financial performance.

The Board is comprised of two Executive Directors and three Non-executive Directors. Graham Sherren holds the posts of Executive Chairman and Chief Executive. The Combined Code provides that the roles of Chairman and Chief Executive should not be exercised by the same individual. Accordingly, the Company does not comply with the Combined Code in this regard.

The Directors are of the opinion that the Board is balanced by virtue of having a majority of Non-executive Directors. Patrick Taylor and Colin Morrison became directors of the Company upon AIM Admission, are "independent" of management and have no relationships which may interfere with their independent judgement. The Company is a "smaller company" for Combined Code purposes and by having two independent directors, the Company complies with the Combined Code's requirements in this regard. The Board has appointed Patrick Taylor as Senior Non-executive Director.

Tom Scruby does not satisfy the "independence" criteria as he has been a director of CCL since 1989. However, the Directors believe that Tom Scruby's knowledge of the Group is a benefit to the Board and the committees on which he serves.

All Directors are subject to re-election at least every three years.

The Board has the authority, and is accountable to shareholders, for ensuring that the Group is appropriately managed and achieves the strategic objectives agreed by the Board. In accordance with the Combined Code, the Board has established guidelines requiring specific matters for discussion by the full Board of Directors, material acquisitions, disposals, investments and capital projects. The Board reviews the Group's internal controls and risk management policies and to enable the Board to discharge its duties it supervises overall budgetary planning, treasury planning and business strategy.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities. The Directors have access to the advice and services of the Company Secretary.

The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is Ian Roberts who was appointed on 19 February 2004. He is secretary to all the Board Committees.

In addition, the Board has established an Audit Committee, a Remuneration Committee and a Nominations Committee with formally delegated duties and responsibilities within written terms of reference.

The Audit Committee

Patrick Taylor chairs the Audit Committee and its other members are Colin Morrison and Tom Scruby. All members of this committee are Non-executive Directors. The Audit Committee meets at least twice each year. Geoffrey Wilmot, the Chief Financial Officer, and external auditors attend for part or all of each meeting. The external auditors have unrestricted access to the Audit Committee and its chairman. The Audit Committee considers all matters relating to financial policies, internal control and reporting, external audits, the scope and results of the audits, the independence and objectivity of the auditors and establishes that an effective system of internal financial control is maintained.

The Remuneration Committee

Patrick Taylor chairs the Remuneration Committee and its other members are Colin Morrison and Tom Scruby. All members of this committee are Non-executive Directors.

The Remuneration Committee meets at least twice each year. The Executive Chairman and the Chief Financial Officer may be invited to attend meetings, as the Remuneration Committee considers appropriate. The Remuneration Committee, with reference to independent remuneration research and professional advice, considers all material elements of remuneration policy, remuneration and incentives of Executive Directors. The Executive Directors determine the remuneration of the Non-executive

Directors. Details of the remuneration of the Directors are contained in paragraph 7 of Part 4 of this document.

In accordance with the Combined Code, the Remuneration Committee will make recommendations to the Board on the framework for executive remuneration and its cost. The Board is then responsible for implementing the recommendations and agreeing the remuneration packages of individual Directors and the Company Secretary. The Directors are not permitted under the articles of association, to vote on their own terms and conditions of remuneration.

The Nominations Committee

Graham Sherren chairs the Nominations Committee and its other members are Colin Morrison and Patrick Taylor. The Nominations Committee meets at least annually and as required makes recommendations to the Board on new appointments to the Board.

12. Dividend policy

In respect of the year to 30 June 2004, the Company paid a dividend of 1p per Ordinary Share. Subject to maintaining an appropriate level of cover, the Directors intend that the Company will pay dividends at a comparable level to its peer group.

13. Share Option Schemes

The Group currently operates the Share Option Scheme, the Rollover Scheme and the PIL Scheme, further details of which are set out in paragraph 4 of Part 4 to this document. The Company does not intend to establish any further share schemes on or shortly following Admission, nor does it intend to grant any options under the existing schemes on or shortly following Admission.

The Share Option Scheme

Subsisting options held by (in aggregate 50) Directors and members of senior management under the Share Option Scheme amount to options over 5,018,692 Ordinary Shares in the capital of the Company. Subsisting options over 3,438,692 Ordinary Shares were granted on 9 March 2004 with an exercise price of £1 per Ordinary Share and subsisting options over 1,580,000 Ordinary Shares in the capital of the Company were granted on 28 September 2004 with an exercise price of £0.885 per Ordinary Share. All of these options were granted for no consideration.

Subsisting options are subject to the following performance conditions:

In order to determine the number of shares under option which optionholders will be entitled to acquire on exercise of their options commencing upon the third anniversary from the date of grant, the earnings before tax and amortisation ("EBTA"), which for these purposes is expressed as the EBTA per Ordinary Share for the time being in issue, requires to grow at a series of compound rates of growth between 19 and 44 per cent. over a three year 'performance period' or 26 and 63 per cent. over a four year 'performance period'.

The starting point for the number of shares in issue for the purposes of the EBTA was the total number of Ordinary Shares in issue as at 10 March 2004, being the date of Admission to AIM. Further details are included at paragraph 4 of Part 4 of this document.

Subsisting options will remain unaffected by the Company's Admission to the Official List and will continue to subsist following Admission in accordance with the Scheme rules.

The Rollover Scheme

Subsisting options held by (in aggregate 11) Directors and members of senior management under the Rollover Scheme amount to options over 2,108,887 Ordinary Shares in the capital of the Company. Subsisting options were granted on 9 March 2004 with varying exercise prices of between £0.1158 and £0.5787 per Ordinary Share. Subsisting options were granted to those Directors and members of senior management who had elected to surrender their existing options (at the time) over shares in CCL granted under the CCL unapproved executive share option scheme for nominal consideration, the operation of which ceased on Admission to AIM.

Subsisting options are not subject to performance conditions. Subsisting options will remain unaffected by the Company's Admission to the Official List and will continue to subsist following Admission in accordance with the Scheme rules.

The PIL Scheme

Subsisting options held by directors and senior management of Perfect Information under the PIL Scheme in aggregate amount to options over 404,990 ordinary shares in the capital of Perfect Information. Subsisting options were granted on 1 May 2000, 30 June 2000, 3 December 2001 and 31 October 2002 with an exercise price of £1.00 per ordinary share for those granted in 2000 and £1.60 for those granted thereafter.

Subsisting options granted in 2000 are subject to the following performance conditions:

The average annual profits before taxation for the 12 months ended 30 June 2000 and the 12 months ended 30 June 2001 must exceed the average of Perfect Information's budgeted profits for those two years.

Subsisting options granted after 2000 are not subject to performance conditions.

Subsisting options will remain unaffected by the Company's Admission to the Official List and will continue to subsist following Admission in accordance with the Scheme rules. All subsisting options were granted for no consideration.

Under a Deed Poll dated 28 March 2001, CCL has agreed to purchase ordinary shares issued pursuant to the exercise of options granted under the PIL Scheme over a three year period. For further details see paragraph 4 of Part 4 to this document.

In addition, the Board has approved the grant of 280,000 options in PIL to five senior employees of PIL. These options will have an exercise price of 30p each and will be granted for no consideration. The vesting of these options will be subject to performance criteria linked to the profits of PIL. After the options have vested, the optionholders will have the right to exercise these options on a part paid basis. Any shares held by these optionholders will be subject to a call option held by Centaur which will be exercisable in the event of the optionholder ceasing to be employed by PIL

14. Taxation

General information relating to UK taxation with regard to Admission is summarised in paragraph 11 of Part 4 of this document. **A potential shareholder who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, should consult his or her professional advisers immediately.**

15. Admission, dealings and CREST

Application has been made to the UK Listing Authority and to the London Stock Exchange for all of the issued Ordinary Shares to be admitted to the Official List and to trading on London Stock Exchange's market for listed securities respectively. It is expected that Admission will take place and that dealings will commence at 8.00 a.m. on 17 December 2004.

The Ordinary Shares are able to be settled through CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise that by a certificate and transferred other than by a written instrument. The articles of association of the Company permit the holding of Ordinary Shares in uncertificated form under the CREST system. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain a share certificate will be entitled to do so.

16. Further information

Your attention is drawn to the additional information set out in Parts 2 to 4 of this document. Any reader of this document should read the whole document and not just rely on the information summarised in this Part 1.

PART 2

Risk Factors

This Part describes the risks that could materially affect the Group's business.

The risks below are not the only ones that the Group faces, some risks are not yet known to the Group and some that the Group does not currently believe to be material could later turn out to be material. All of these risks could materially affect the business of the Group, its turnover, operating profit, earnings, net assets and liquidity and capital resources.

1. Share price volatility and liquidity

The share price of quoted companies can be highly volatile and the market in the shares can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

2. Dividends

Dividend growth in the Ordinary Shares will rely on underlying growth in the Group's businesses and, in particular, the dividend policy mentioned in Part 1 of this document should not be construed as a dividend forecast. Any change in the tax treatment of dividends or interest received by the Group may reduce the level of yield received by shareholders. The market value of the Ordinary Shares can fluctuate and may not always reflect their underlying asset value. There can be no guarantee that the Company's objectives will be achieved.

3. Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

4. General economic climate

Factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and stock market prices. The Group's operations, business and profitability are affected by these factors, which are beyond the control of the Group.

5. The Group's market

Numerous titles exist that compete directly or indirectly with the Group's products resulting in a highly competitive market. Domestic and international competitors market their products at the Group's target audiences. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates may adversely affect the Group's business.

6. No long term material customer contracts

The Group's principal source of revenue is derived from advertisers and recruitment consultants. The Group does not have any long term contracts from which it derives such revenue and revenue from advertisers and recruitment consultants is therefore subject to fluctuation. There are no guarantees that previous levels of revenue from such sources will be maintained. These factors could lead to an adverse effect upon the Group's revenues and earnings through decreased market share and/or declining profit margins caused by price competition. In order to meet these challenges, the Directors believe that the Group will need to maintain the highest standards of editorial integrity and an effective marketing strategy.

7. Reliance on the Royal Mail

The Group relies on the Royal Mail to distribute the majority of its publications and therefore industrial action by employees of the Royal Mail can disrupt the distribution of its publications and could lead to a decline in advertising revenues.

8. Growth strategy

The Group seeks to launch new titles, conferences, exhibitions and other brand extensions. It is essential that the Group successfully develops and markets these products and integrates any acquired businesses. There can be no guarantee that the products currently being developed will be profitable when eventually launched or that any acquisitions will successfully generate profits. In addition, there can be no assurance that a failed launch or acquisition will not have a material adverse effect on the business of the Group.

9. Forward-looking statements

Certain statements contained in this document may constitute forward-looking statements. Any such forward-looking statements involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, save as required to comply with any legal or regulatory obligations, to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

10. Reliance on principal profit centres/products

Notwithstanding recent diversification, a significant decline in the performance of any of Centaur's principal titles or divisions could have a material adverse effect on the Group's finances and operations as could a serious decline in interest in any of the sectors which the Group serves.

11. Dependence on key personnel

The Group's future success is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. The loss of the services of any of the Company's executive officers or other key employees could have a material adverse effect on the Group's business.

12. Dependence on key information suppliers

Perfect Information is dependent on a relatively small number of key information suppliers. The loss of one or more of these suppliers could have a material effect on the division's revenues.

13. Failure of information systems

Certain divisions of the Group are dependent on the efficient and uninterrupted operation of their IT and computer systems, which are vulnerable to damage or interruption from power loss, telecommunication failures, sabotage, vandalism or similar misconduct. The same is true of third-party service and software providers on which the Group depends. Any such damage or interruption could have a material adverse effect on the Group's business.

PART 3

Accountants' Report on the Company

ERNST & YOUNG

1 More London Place
London SE1 2AF

Phone: 020 7951 2000
Fax: 020 7951 1345
www.ey.com/uk

The Directors
Centaur Holdings plc
St Giles House
50 Poland Street
London
W1F 7AX

The Directors
Numis Securities Limited
Cheapside House
138 Cheapside
London
EC2V 6LH

14 December 2004

Dear Sirs

1. Introduction

We report on the financial information set out in paragraphs 2 to 6 below. This financial information has been prepared for inclusion in the listing particulars dated 14 December 2004 of Centaur Holdings plc (the "Company').

Centaur Holdings plc was incorporated in England and Wales as De Facto 1093 Limited on 30 October 2003 and re-registered as Centaur Holdings Limited on 29 January 2004. On 26 February 2004, the Company re-registered as a public limited company with the name Centaur Holdings plc.

On 10 March 2004, the Company acquired the entire issued share capital of Centaur Communications Limited.

Centaur Holdings plc and its subsidiaries and, prior to 10 March 2004, Centaur Communications Limited and its subsidiaries, are referred to as the "Group".

Basis of preparation

The financial information set out in paragraphs 2 to 6 below is based on the audited consolidated financial statements of Centaur Communications Limited for the two years ended 30 June 2003, the audited financial statements of Centaur Communications Limited for the period from 1 July 2003 to 9 March 2004, and the audited consolidated financial statements of Centaur Holdings plc for the period from 10 March 2004 to 30 June 2004 and has been prepared on the basis set out in note 1 below, after making such adjustments as we considered necessary.

Responsibility

Such financial statements are the responsibility of the directors of Centaur Communications Limited and Centaur Holdings plc who approved their issue.

The directors of Centaur Holdings plc are responsible for the contents of the listing particulars dated 14 December 2004 in which this report is included.

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

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the listing particulars dated 14 December 2004, a true and fair view of the state of affairs of the Group as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended.

2. Consolidated profit and loss account

	Notes	*30 June 2002 £'000*	*30 June 2003 £'000*	*30 June 2004 £'000*
Turnover				
Continuing operations		63,327	61,995	67,637
Acquisitions		—	—	617
Discontinued operations		5,374	650	—
	2	68,701	62,645	68,254
Cost of sales		(40,145)	(35,743)	(38,017)
Gross profit		28,556	26,902	30,237
Distribution costs		(4,319)	(4,254)	(4,287)
Administrative expenses		(31,063)	(19,201)	(22,468)
Adjusted EBITDA	2	5,648	6,528	8,823
Depreciation of tangible fixed assets		(2,523)	(2,836)	(2,676)
Amortisation of goodwill		(885)	(245)	(2,437)
Exceptional administrative expenses	5	(243)	—	(228)
Goodwill impairment		(8,823)	—	—
Operating profit/(loss)				
Continuing operations		(6,470)	3,575	4,226
Acquisitions		—	—	(744)
Discontinued operations		(356)	(128)	—
		(6,826)	3,447	3,482
Discontinued operations:				
Profit on disposal of subsidiary undertakings	36	—	15,385	—
Costs arising from reorganisation	36	—	(1,777)	—
Profit/(loss) on ordinary activities before interest		(6,826)	17,055	3,482
Interest receivable and similar income	7	46	57	196
Amounts written off investments	8	—	—	(274)
Interest payable and similar charges	9	(1,449)	(935)	(7)
Profit/(loss) on ordinary activities before taxation	4	(8,229)	16,177	3,397
Tax on profit/(loss) on ordinary activities	10	(358)	(105)	1,222
Profit/(loss) on ordinary activities after taxation		(8,587)	16,072	4,619
Equity minority interests	33	(41)	32	—
Profit/(loss) for the financial year attributable to members of the parent company		(8,628)	16,104	4,619
Dividends				
Ordinary dividend on equity shares	11	—	—	(1,480)
Retained profit/(loss) for the financial year	28	(8,628)	16,104	3,139
Earnings/(loss) per share				
— basic	12	(56.1)p	104.5p	6.77p
— diluted	12	(51.1)p	95.3p	6.24p
— pro forma basic	12	(5.8)p	10.5p	3.12p
— pro forma diluted	12	(5.6)p	10.1p	3.00p

The Group has no recognised gains and losses for the year other than the profit or loss stated above.

Adjusted EBITDA represents Earnings Before Interest Tax Depreciation and Amortisation excluding exceptional administrative expenses and goodwill impairment.

3. Consolidated balance sheet

	Notes	30 June 2002 £'000	30 June 2003 £'000	30 June 2004 £'000
Fixed assets				
Intangible fixed assets	13	2,352	2,595	138,701
Tangible fixed assets	14	8,262	5,921	5,311
Investments	15	459	459	185
		11,073	8,975	144,197
Current assets				
Stocks	16	550	1,260	1,185
Debtors	17	14,215	12,925	14,771
Debtors due after more than one year	17	—	833	—
Cash at bank and in hand		3,300	4,085	9,132
		18,065	19,103	25,088
Creditors: amounts falling due within one year	18	(23,234)	(18,564)	(23,426)
Net current assets/(liabilities)		(5,169)	539	1,662
Total assets less current liabilities		5,904	9,514	145,859
Creditors: amounts falling due after more than one year	20	(13,787)	—	—
Provisions for liabilities and charges	22	(714)	(1,997)	(3,387)
		(8,597)	7,517	142,472
Capital and reserves				
Called up share capital	24	1,539	1,549	14,879
Share premium account	25	13,436	13,531	127,047
Capital redemption reserve	26	483	483	—
Other reserves	27	—	—	1,486
Profit and loss account	28	(24,102)	(7,998)	(940)
Equity shareholders' Funds/(deficit)		(8,644)	7,565	142,472
Equity minority interests	33	47	(48)	—
		(8,597)	7,517	142,472

4. Consolidated cash flow statement

	Notes	*30 June 2002 £'000*	*30 June 2003 £'000*	*30 June 2004 £'000*
Net cash inflow from operating activities	34	8,182	6,936	7,770
Returns on investments and servicing of finance				
Interest received		46	57	196
Interest paid		(1,487)	(362)	(174)
Dividends paid to minority interests		(51)	(54)	—
Net cash outflow from returns on investments and servicing of finance		(1,492)	(359)	22
Taxation		(561)	(287)	(671)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(3,071)	(1,651)	(2,166)
Sale of tangible fixed assets		59	44	24
Purchase of intangible fixed assets		—	(55)	(195)
Acquisition of trade investments		(36)	—	—
Net cash (outflow) for capital expenditure and financial investment		(3,048)	(1,662)	(2,337)
Acquisitions and disposals				
Proceeds from the disposal of subsidiary undertakings		—	20,020	—
Acquisition/disposal expenses		—	(796)	(2,921)
Cash acquired with subsidiary undertakings		—	—	9
Cash disposed of on disposal of subsidiary undertakings		—	(6,662)	49
Purchase of subsidiary undertakings		—	—	(128,736)
Net cash inflow/(outflow) from disposal of subsidiary undertakings	36	—	12,562	(131,599)
Purchase of additional investment in subsidiary undertakings	37	—	(515)	—
Net cash inflow/(outflow) for acquisitions and disposals		—	12,047	(131,599)
Equity dividends paid to shareholders		(191)	—	—
Net cash inflow/(outflow) before financing		2,890	16,675	(126,815)
Financing				
Issue of ordinary share capital	24,25	65	105	134,445
Cash received in respect of loan notes		—	—	3,429
Issue costs		—	—	(5,968)
Repayment of bank and other borrowings		(1,250)	(16,000)	—
Net cash (outflow)/inflow from financing		(1,185)	(15,895)	131,906
Increase in cash	35	1,705	780	5,091

5. Reconciliation of movements in Group shareholders' funds

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Opening shareholders' (deficit)/funds	(81)	(8,644)	7,565
Profit for the period to 9 March 2004			4,079
New share capital issued			2,449
Adjustment for the reserves of Centaur Communications Limited at date of acquisition by Centaur Holdings plc			(14,093)
Shareholders' funds at 10 March 2004			—
New share capital issued	65	105	147,894
Issue costs	—	—	(5,968)
Fair value of "rolled over" share options	—	—	1,486
Profit/(loss) for the financial period	(8,628)	16,104	540
Dividends	—	—	(1,480)
Closing shareholders' funds/(deficit)	(8,644)	7,565	142,472

6. Notes to the financial information

1. Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom.

Basis of consolidation

The financial statements for the two years ended 30 June 2003 incorporate those of Centaur Communications Limited and its subsidiary undertakings and have been consolidated using the acquisition method of accounting. Profits or losses on intra-group transactions are eliminated in full. The results of subsidiaries or unincorporated businesses acquired or disposed of are included from the date of acquisition or up to the date of disposal.

The financial information for the year ended 30 June 2004 is based on the consolidated financial statements of Centaur Communications Limited prior to acquisition by Centaur Holdings plc on 10 March 2004 and the consolidated financial statements of Centaur Holdings plc subsequent to 10 March 2004, as set out in the audited financial statements of Centaur Holdings plc.

Turnover

Turnover represents sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences, exclusive of value added tax.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Revenue received in advance for exhibitions and conferences is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and online services is deferred and recognised in the profit and loss account on a straight-line basis over the subscription period.

Investments

Investments are recorded at cost less provision for impairment in value.

Goodwill

Goodwill purchased or arising on consolidation has been capitalised and is amortised over its estimated useful economic life of 20 years, which is the period over which the directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying assets.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of tangible assets is provided on a straight-line basis over the following estimated useful lives of the assets:

Leasehold property	— 20 years or the length of the lease if shorter
Fixtures and fittings	— 10 years
Computer equipment	— 3–5 years (except costs of developing computer databases — 10 years)
Motor vehicles	— 4 years

Impairment of fixed assets and goodwill

The need for any fixed asset or goodwill impairment write down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on the circumstances of the individual businesses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing difference are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Stocks

Stocks are stated at the lower of cost and net realisable value. For raw materials cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale cost is the purchase price, or, in the case of publications, the direct cost of production.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Pension costs charged to the profit and loss account represent the amount of contributions payable to the Centaur's defined contribution scheme in respect of the accounting period.

Remuneration element of share options

In accordance with Urgent Issues Task Force ("UITF") Abstract 17 "Employee share schemes", the fair value of share options at the date of grant, less any consideration, is charged to the profit and loss account over the performance period to which the grant relates. An equal amount is credited directly to reserves in the same period.

Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the profit and loss account.

Financial instruments

Financial instruments are marked to market each month and any gain or loss is recognised in the profit and loss account. Amounts payable of receivable in respect of interest rate swap agreements are recognised as adjustment to interest over the period of the contract.

2. Segmental reporting

The Group is involved in the single activity of the creation and dissemination of business and professional information. There is therefore no segmental reporting required. However, set out below is an analysis of turnover and adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the Group by the communities it serves and by source of revenue. Adjusted EBITDA is calculated as operating profit/(loss) excluding depreciation, amortisation and exceptional administrative expenses as detailed in note 5.

Analysis by community

	Turnover			*Adjusted EBITDA*		
	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*	*30 June 2002 £'000*	*30 June 2003 £'000*	*30 June 2004 £'000*
Marketing, creative and new media	23,935	23,278	23,911	3,723	3,706	3,624
Legal and financial	26,546	23,015	25,776	2,756	3,334	4,134
Engineering and construction	11,526	9,993	12,530	(1,291)	(671)	967
Other	6,694	6,359	6,037	460	159	98
	68,701	62,645	68,254	5,648	6,528	8,823

Analysis by source of revenue

	Turnover		
	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Recruitment advertising	10,583	8,963	9,989
Other advertising	25,710	24,797	25,359
Circulation revenue	6,321	5,334	5,108
Electronic subscriptions	9,856	5,473	6,303
Events, including exhibitions and conferences	13,764	16,475	19,722
Other	2,467	1,603	1,773
	68,701	62,645	68,254

Analysis by product type

	Turnover			*Adjusted EBITDA*		
	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*	*30 June 2002 £'000*	*30 June 2003 £'000*	*30 June 2004 £'000*
Printed products	41,595	36,149	37,224	4,085	3,765	6,432
Electronic products	11,878	8,252	9,981	(697)	243	894
Events, including exhibitions and conferences	13,510	16,904	19,722	1,768	2,133	1,338
Other	1,718	1,340	1,327	492	387	159
	68,701	62,645	68,254	5,648	6,528	8,823

Substantially all net assets are located and all turnover and adjusted EBITDA are generated in the United Kingdom.

3. *Cost of sales and operating expenses*

	30 June 2002 Continuing £'000	*30 June 2002 Discontinued £'000*	*30 June 2002 Total £'000*
Cost of sales	36,276	3,869	40,145
Distribution costs	4,180	139	4,319
Administrative expenses	29,341	1,722	31,063

	30 June 2003 Continuing £'000	*30 June 2003 Discontinued £'000*	*30 June 2003 Total £'000*
Cost of sales	35,185	558	35,743
Distribution costs	4,231	23	4,254
Administrative expenses	19,004	197	19,201

	30 June 2004 Continuing £'000	*30 June 2004 Discontinued £'000*	*30 June 2004 Total £'000*
Cost of sales	37,142	875	38,017
Distribution costs	4,287	—	4,287
Administrative expenses	21,982	486	22,468

4. *Profit/(loss) on ordinary activities before taxation*

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Staff costs (note 6)	28,773	26,820	26,042
Profit on disposal of subsidiary undertakings (note 36)	—	(15,385)	—
Costs arising from reorganisation (note 36)	—	1,777	—
Exceptional administrative costs (note 5)	243	—	228
Goodwill impairment (note 13)	8,823	—	—
Operating leases — plant and machinery	198	198	244
Other operating leases	2,767	2,767	2,094
Depreciation of tangible fixed assets (note 14)	2,523	2,836	2,676
Amortisation of goodwill (note 13)	885	245	2,437
(Profit)/loss on disposal of fixed assets	(23)	11	(4)
Auditors' remuneration:			
— audit services	79	76	128
— non-audit services	13	—	55

5. *Exceptional administrative expenses*

Exceptional administrative expenses relate to continuing operations and comprise:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Provision for onerous property leases	243	—	—
Costs in respect of the sale of the Centaur Communications Limited to Centaur Holdings plc	—	—	228
	243	—	228

6. *Employees and directors*

Staff costs

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Wages and salaries	25,801	23,893	23,163
Social security costs	2,540	2,460	2,412
Other pension costs	432	467	467
	28,773	26,820	26,042

The average monthly number of persons employed during the year, including executive directors, was:

	30 June 2002 No.	*30 June 2003 No.*	*30 June 2004 No.*
Editorial	222	175	163
General administration/service departments	349	298	316
Production	54	59	71
Sales	231	203	200
	856	735	750

Directors' emoluments

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Aggregate emoluments	775	664	950
Pension contributions to money purchase schemes	74	63	27
	849	727	977

The remuneration of the directors is as follows:

	Basic salary and fees £000	Benefits £000	Performance related bonus £000	Pension contributions £000	30 June 2004 Total £000
Executive directors					
GV Sherren	343	57	197	—	597
GTD Wilmot	157	22	56	27	262
BTR Scruby	13	—	—	—	13
Non-executive directors					
CRE Brooke	1	—	—	—	1
EM Cullman (Snr)	—	—	—	—	—
FM Danziger	—	—	—	—	—
C Morrison	12	—	40	—	52
JPE Taylor	12	—	40	—	52
JJ Veronis	—	—	—	—	—
N Stapleton	—	—	—	—	—
	538	79	333	27	977

	Basic salary and fees £000	Benefits £000	Performance related bonus £000	Pension contributions £000	30 June 2003 Total £000
Executive directors					
GV Sherren	333	8	—	38	379
GTD Wilmot	161	3	50	25	239
BTR Scruby	99	—	—	—	99
Non-executive directors					
CRE Brooke	3	—	—	—	3
EM Cullman (Snr)	4	—	—	—	4
FM Danziger	3	—	—	—	3
JJ Veronis	—	—	—	—	—
N Stapleton	—	—	—	—	—
	603	11	50	63	727

	Basic salary and fees £000	Benefits £000	Performance related bonus £000	Pension contributions £000	30 June 2002 Total £000
Executive directors					
GV Sherren	311	5	135	50	501
GTD Wilmot	158	2	35	24	219
BTR Scruby	118	—	—	—	118
Non-executive directors					
CRE Brooke	3	—	—	—	3
EM Cullman (Snr)	4	—	—	—	4
FM Danziger	4	—	—	—	4
JJ Veronis	—	—	—	—	—
N Stapleton	—	—	—	—	—
	598	7	170	74	849

During the year ended 30 June 2004 one director (2003: two, 2002: two) participated in money purchase pension schemes. Included in the above are invoices from Data Financial Services Limited to Centaur Communications Limited amounting to £71,000 (2003: £95,000; 2002: £95,000) for investment advisory services of BTR Scruby and £13,000 (2002: £4,000; 2002: £5,000) for director's fees.

The following options to subscribe for ordinary shares (Class D) of 10p each in Centaur Communications Limited under executive share option schemes were in existence at 30 June 2003. These were either exercised or "rolled-over" into options in the Company on 9 March 2004 (note 37):

	Date of grant	*Earliest exercise date*	*Expiry date*	*Exercise price (pence)*	*Number at 30 June 2003*
GV Sherren	17.4.97	17.4.97	16.4.04	100.0	58,568
	14.8.97	14.8.97	13.8.04	100.0	546,589
	4.6.98	4.6.98	3.6.05	360.0	102,626
GTD Wilmot	8.10.98	8.10.98	7.10.05	360.0	100,000

During 2003, BTR Scruby exercised 50,000 share options at 100p each. No options were exercised in 2002.

Highest paid director

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Aggregate emoluments	451	341	597
Pension contributions to money purchase scheme	50	38	—
	501	379	597

7. Interest receivable and similar income

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Interest on bank deposits	46	52	196
Interest on taxation	—	5	—
	46	57	196

8. Amounts written off investments

A review of the carrying value of unlisted trade investments in Centaur Communications Limited prior to the acquisition by Centaur Holdings plc resulted in an impairment provision of £274,000 in respect of a trade investment in Linguaphone Limited (see note 15).

9. Interest payable and similar charges

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Amounts payable in respect of interest rate swap	—	—	167
Utilisation of provision in respect of interest rate swap	—	—	(167)
Interest on bank loans and overdrafts	1,229	722	7
Amortisation of borrowings issue costs	220	213	—
	1,449	935	7

10. *Tax on profit/(loss) on ordinary activities*

(a) Tax on profit/(loss) on ordinary activities

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
UK corporation tax at 30% (2003: 30%; 2002: 30%)			
— current year	371	543	—
— over provision in previous periods	(208)	(416)	(156)
	163	127	(156)
Deferred taxation			
— current year (origination and reversal of timing differences)	335	(311)	(287)
— deferred tax credit in respect of the exercise of share options in Centaur Communications Limited	—	—	(3,057)
— deferred tax credit in respect of the exercise of share options in Centaur Communications Limited utilised during the year	—	—	2,278
— adjustment in respect of prior years	(140)	289	—
	195	(22)	(1,066)
	358	105	(1,222)
Tax on profit/(loss) on ordinary activities			
UK corporation tax	163	127	(156)
Deferred tax	195	(22)	(1,066)
	358	105	(1,222)
Balance sheet			
Deferred liability (note 22)	(269)	(247)	995

The tax effect in the profit and loss account relating to the exceptional items recognised below operating profit is:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Credit on costs arising from reorganisation	—	(533)	—

(b) Factors affecting current tax charge

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Profit/(loss) on ordinary activities before tax	(8,229)	16,177	3,397
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 2004: 30% (2003: 30%; 2002: 30%)	(2,469)	4,854	1,019
Effects of:			
Expenses not deductible for tax purposes	3,174	164	972
Deferred tax credit in respect of the exercise of share options in Centaur Communications Limited utilised during the year	—	—	(2,278)
Capital allowances for the period less than/(in excess of) depreciation	(77)	127	722
Utilisation of tax losses	(135)	(145)	(435)
Adjustments to tax charge in respect of previous periods	(208)	(416)	(156)
Difference between accounting profit and capital gain on disposal of subsidiaries	—	(4,615)	—
Other timing differences	—	146	—
Difference in rate of tax on overseas earnings	—	(7)	—
Adjustment in respect of provisions	(122)	19	—
Current tax charge for the period	163	127	(156)

The Group is entitled to full exemption from Capital Gains Tax on the profit on disposal of subsidiary undertakings during the year ended 30 June 2003.

11. Dividends

A dividend of 1p per 10p ordinary share is proposed in respect of the year ended 30 June 2004. This amounts to £1,480,000 and will be paid to all shareholders on the register as at 5 November 2004.

No dividend was declared by Centaur Communications Limited in respect of the year ended 30 June 2002 and 30 June 2003.

12. Earnings per share

The calculations of earnings per ordinary share are based earnings, of £4,619,000 (2003: £16,104,000; 2002: £(8,628,000)) and on 68,223,627 (2003: 15,408,289; 2002: 15,374,756) ordinary shares, being the weighted average number of ordinary shares in issue in Centaur Holdings plc in the period from 30 October 2003 to 30 June 2004, and in Centaur Communications Limited in 2003 and 2002.

The diluted earnings per share is based on earnings of £4,619,000 (2003: £16,104,000; 2002: £(8,628,000)) and on 74,030,853 (2003: 16,893,339; 2002: 16,891,478) ordinary shares, being the weighted average number of ordinary shares in issue in Centaur Holdings plc during the period from 30 October 2003 to 30 June 2004, and in Centaur Communications Limited in 2003 and 2002, after allowing for the potential dilutive ordinary shares, calculated as follows:

	30 June 2002 No.	*30 June 2003 No.*	*30 June 2004 No.*
Basic weighted average number of shares	15,374,756	15,408,289	68,223,627
Dilutive effect of share options (note 24)	1,516,722	1,485,050	5,807,266
	16,891,478	16,893,339	74,030,853

The pro forma earnings per share (both basic and diluted) have been calculated on the basis of earnings of £4,619,000 (2003: £16,104,000; 2002: £(8,628,000)), and the number of shares in Centaur Holdings plc in issue at 30 June 2004 including the dilutive effect of share options in the case of the pro forma diluted earnings per share (basic: 147,994,118; diluted: 153,807,266), in order to provide a more meaningful comparative following the flotation of the Company on 10 March 2004.

13. Intangible fixed assets

	Goodwill £'000
Cost:	
At 1 July 2001 and 30 June 2002	16,685
Additions	561
Disposals (note 36)	(84)
At 30 June 2003	17,162
Additions during the period to 9 March 2004	4,450
Adjustment arising on the acquisition of Centaur Communications Limited	(21,612)
Goodwill generated on the acquisition of Centaur Communications Limited by Centaur Holdings plc (note 37)	140,698
Other additions	189
At 30 June 2004	140,887
Amortisation:	
At 30 June 2001	4,625
Charge for the year	885
Impairment	8,823
At 30 June 2002	14,333
Amortisation on disposal (note 36)	(11)
Charge for the year	245
At 30 June 2003	14,567
Provided during the period to 9 March 2004	251
Adjustment arising on the acquisition of Centaur Communications Limited	(14,818)
Charge for the year	2,186
At 30 June 2004	2,186
Net book amount:	
At 30 June 2004	138,701
At 30 June 2003	2,595
At 30 June 2002	2,352

FRS 10 "goodwill and intangible assets," requires an impairment review to be undertaken if the carrying value is considered not to be recoverable in full. A review of the goodwill portfolio resulted in an impairment provision of £8.823 million in 2002. The discount rate used in the impairment evaluation, representing the weighted average cost of capital of Centaur, was 7.5 per cent.

14. *Tangible fixed assets*

	Leasehold improvements £'000	*Fixtures and fittings* £'000	*Computer equipment* £'000	*Motor vehicles* £'000	*Total* £'000
Cost:					
At 1 July 2001	920	2,535	12,450	578	16,483
Additions	153	101	2,792	25	3,071
Disposals	—	(9)	(3)	(230)	(242)
At 30 June 2002	1,073	2,627	15,239	373	19,312
Additions	36	135	1,402	78	1,651
Disposals	—	(449)	(3,266)	(182)	(3,897)
At 30 June 2003	1,109	2,313	13,375	269	17,066
Additions during the period to 9 March 2004	63	82	1,474	14	1,633
Disposals during the period to 9 March 2004	(153)	(534)	(5,431)	(37)	(6,155)
Fair value adjustment	(59)	(93)	(287)	—	(439)
Acquired with Centaur Communications Limited	960	1,768	9,131	246	12,105
Additions	6	4	657	—	667
Disposals	—	—	(228)	(30)	(258)
At 30 June 2004	966	1,772	9,560	216	12,514
Depreciation:					
At 1 July 2001	278	1,193	6,965	297	8,733
Charge for the year	86	214	2,113	110	2,523
Disposals	—	(6)	(3)	(197)	(206)
At 30 June 2002	364	1,401	9,075	210	11,050
Charge for the year	176	273	2,308	79	2,836
Disposals	—	(394)	(2,202)	(145)	(2,741)
At 30 June 2003	540	1,280	9,181	144	11,145
Provided during the period to 9 March 2004	29	159	1,459	42	1,689
Disposals during the period to 9 March 2004	(183)	(567)	(5,596)	(31)	(6,376)
Accumulated depreciation on assets acquired with Centaur Communications Limited	387	872	5,044	155	6,458
Charge for the period	68	10	890	19	987
Disposals	—	—	(225)	(17)	(242)
At 30 June 2004	455	882	5,709	157	7,203
Net book amount:					
At 30 June 2004	511	890	3,851	59	5,311
At 30 June 2003	569	1,033	4,194	125	5,921
At 30 June 2002	709	1,226	6,164	163	8,262

A fair value adjustment of £200,000 has been made in respect of tangible assets considered to be obsolete at the date of acquisition.

15. *Investments*

	Unlisted trade investments £'000
Cost:	
At 1 July 2001	423
Additions	51
Disposals	(15)
At 30 June 2002, 30 June 2003 and 30 June 2004	459
Provisions:	
At 1 July 2001, 30 June 2002 and 30 June 2003	—
Impairment of trade investment (note 8)	274
At 30 June 2004	274
Net book amount:	
At 30 June 2004	185
At 30 June 2003	459
At 30 June 2002	459

Centaur holds 34 per cent. of the ordinary share capital of IPE International Publishers Limited, a company incorporated in England and Wales (company registration number 03233596).

For the year ended 30 June 2003, IPE International Publishers Limited filed accounts at Companies House showing a retained profit on ordinary activities for the year of £31,031 (2002: profit £31,582) and the aggregate amount of capital and reserves of £309,000 (2002: £278,151).

In the opinion of the directors of Centaur Holdings plc, the investing company (Centaur Communications Limited) does not exert a significant influence on the operations or decisions of IPE International Publishers Limited.

In the opinion of the directors, the value of the Group's investments is not less than their carrying amount.

Principal subsidiary undertakings at 30 June 2004

	Holding of ordinary shares		
	Group %	*Company* %	*Principal activity*
Centaur Communications Limited	100	100	Magazine publishing
Chiron Communications Limited	100	100	Magazine publishing
Hali Publications Limited	100	69.6	Magazine publishing
Ascent Publishing Limited	100	100	Magazine publishing
I.F.A. Events Limited	100	100	Exhibitions
Your Business Magazine Limited	100	100	Holding company
Perfect Information Limited	99.99	99.14	Financial information services
Market Research Exhibitions Limited	100	100	Exhibitions

In addition to the holdings above, the Company holds 100 per cent. of the issued preference share capital of Hali Publications Limited.

All the above subsidiary undertakings are incorporated in England and Wales.

16. Stocks

	30 June 2002 £'000	30 June 2003 £'000	30 June 2004 £'000
Raw materials	35	39	19
Work in progress	503	1,217	1,128
Goods for resale	12	4	38
	550	1,260	1,185

17. Debtors

	30 June 2002 £'000	30 June 2003 £'000	30 June 2004 £'000
Amounts falling due within one year:			
Trade debtors	12,456	10,129	10,333
Other debtors	270	1,191	1,243
Deferred tax asset (note 23)	—	—	995
Corporation tax	—	—	262
Prepayments and accrued income	1,489	1,605	1,938
	14,215	12,925	14,771
Amounts falling due after more than one year:			
Other debtors	—	833	—
	14,215	13,758	14,771

18. Cash at bank and in hand

Total cash at bank and in hand at 30 June 2004 was £9,132,000. This includes an amount of £3,429,000 held on behalf of the holders of loan notes in Centaur Holdings plc (see note 19). This amount is therefore a restricted amount and is therefore not available for use by the Group in its day to day operations. The unrestricted cash available for use in the day to day operations of the Group at 30 June 2004 was £5,703,000.

All cash balances as at 30 June 2002 and 30 June 2003 were unrestricted.

19. Creditors: amounts falling due within one year

	30 June 2002 £'000	30 June 2003 £'000	30 June 2004 £'000
Loan notes	—	—	3,429
Bank and other borrowings	2,039	44	—
Trade creditors	2,640	3,593	3,536
Corporation tax	410	538	—
Social security and other taxes	2,362	1,769	1,788
Other creditors	383	173	370
Accruals and deferred income	15,400	12,447	12,823
Proposed dividend	—	—	1,480
	23,234	18,564	23,426

The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75 per cent. below LIBOR for each relevant interest period. Unless previously redeemed of purchased, the loan notes will be redeemed in full at par on 31 March 2011. The loan notes will be redeemable at the option of each note holder on 31 December 2004 and thereafter on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days' notice.

20. Creditors: amounts falling due after more one year

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Bank and other borrowings	13,787	—	—

21. Bank and other borrowings

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Term loan	16,000	—	—
Issue costs of term loan	(258)	—	—
	15,742	—	—
Amortisation of issue costs	45	—	—
	15,787	—	—
Unamortised issue costs	213	—	—
The principal amounts of these borrowings are repayable as follows:			
Within 1 year:			
Term loan	2,000	—	—
Between 1 and 2 years:			
Term loan	4,000	—	—
Between 2 and 5 years:			
Term loan	10,000	—	—

During the year ended 30 June 2003 the Term Loan amounting to £16,000,000 was redeemed in full. Following this repayment, issue costs of £213,000 were written off as financing costs in the profit and loss account.

Centaur Communications Limited has access to a £4,000,000 revolving credit facility, guaranteed by certain of that company's subsidiaries. The facility was granted on 14 December 2001 and was most recently renewed until 2 September 2005.

The above cross guarantee is secured by fixed and floating charges over the Group's assets.

On 1 November 2001 Centaur entered into an interest rate swap arrangement, under which the variable rate applying to a principal amount of £10,000,000 of the Term Loan is swapped to a fixed rate of 5.88 per cent. until 1 November 2004. Following the repayment of the Term Loan, the Centaur has fully provided for this onerous interest rate agreement to the amount of £360,000, charged to financing costs in the profit and loss account.

22. *Provisions for liabilities and charges*

	Deferred tax (note 23) *£'000*	*Onerous interest rate swap contract* *£'000*	*Restructuring provisions* *£'000*	*Deferred consideration* *£'000*	*Total* *£'000*
At 1 July 2001	74	—	—	—	74
Charge for the year	195	—	445	—	640
At 30 June 2002	269	—	445	—	714
Charge/(credit) for the year	(22)	360	1,777	—	2,115
Utilised in the year	—	—	(832)	—	(832)
At 30 June 2003	247	360	1,390	—	1,997
Arising in the year	—	—	—	2,500	2,500
Utilised in the period	(247)	(314)	(549)	—	(1,110)
At 30 June 2004	—	46	841	2,500	3,387

Deferred tax

At 30 June 2003, Centaur Communications Limited held a provision in respect of a net deferred tax liability of £247,000.

At 30 June 2004 the Group held a net deferred tax asset of £995,000. The details of these deferred tax positions are fully reflected in note 23 below.

Onerous interest rate swap contract

In 2001 Centaur Communications Limited entered into an interest rate swap arrangement, under which the variable rate applying to a principal amount of £10,000,000 on a term loan was swapped to a fixed rate of 5.88 per cent. until 1 November 2004. Following the repayment of the term loan, the company fully provided for this onerous interest rate agreement and the provision is adjusted to market value at each period end.

Restructuring provisions

In August 2002, Centaur Communications Limited disposed of its subsidiary companies Lawtel Limited and Consultancy Europe Associates Limited, the online legal reporting business, to Thomson Legal and Regulatory Europe Limited. The resulting profit on disposal was £15,385,000.

As a result of the above disposals, Centaur Communications Limited was left with a substantial amount of idle property. This resulted in an exceptional charge to the Group of £1,777,000 in the year ended 30 June 2003.

On 10 March 2004, the date of the acquisition of Centaur Communications Limited, an amount of £1,024,000 remained provided and at 30 June 2004, an amount of £841,000 remained provided.

Deferred Consideration

Prior to its acquisition by Centaur Holdings plc, Centaur Communications Limited acquired 100 per cent. of the share capital of the Synergy Software Group ("Synergy") for a total consideration of £3,742,000. The total consideration included a deferred element that is payable based on the operating profits of Synergy up to 30 June 2007. At 30 June 2004, a provision of £2,500,000 is held as the directors' best estimate of this deferred payment.

23. Deferred tax

The deferred tax asset/(liability) in the Group comprises the following amounts:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Accelerated capital allowances	(3)	298	1,006
Tax losses carried forward	922	567	322
Share options	—	—	779
Other timing differences	(1,188)	(1,112)	(1,112)
Deferred tax asset/(liability)	(269)	(247)	995

At 1 July 2001	(74)
Movement for the year	(195)
At 30 June 2002	(269)
Movement for the year	22
At 30 June 2003	(247)
Amount acquired with subsidiary undertaking	176
Reversal and origination of timing differences in the period	1,066
At 30 June 2004	995

Unrecognised deferred tax assets comprise the following amounts:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Tax losses carried forward	16	23	48
Other timing differences	1,657	1,657	5,601
	1,673	1,680	5,649

24. Called up share capital

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Centaur Communications Limited			
Authorised:			
50,000,000 ordinary shares of 10p each	5,000	5,000	
Allotted, called up and fully paid:			
Ordinary shares of 10p each			
As at 1 July 2001 (15,324,757 shares)	1,532		
Allotted under share options scheme (65,000 shares)	7		
As at 30 June 2002 (15,389,757 shares)	1,539	1,539	
Allotted under share option scheme (104,400 shares)		10	
As at 30 June 2003 (15,494,157 shares)		1,549	1,549
Allotted under share option scheme (1,613,939 shares)			161
As at 10 March 2004 (17,108,096 shares)			1,710
Centaur Holdings plc			
Authorised:			
200,000,000 ordinary shares of 10p each			20,000
800,000 deferred shares of 10p each			80
			20,080
Allotted, called up and fully paid:			
147,994,118 ordinary shares of 10p each			14,799
800,000 deferred shares of 10p each			80
			14,879

Centaur Communications Limited has in issue class A, B, C and D ordinary shares which all rank *pari passu* in all respects.

During the two years ended 30 June 2003, employees of the Centaur Communications Limited exercised their options over ordinary shares in the Centaur at a price of £1.00 per share as follows:

Date of exercise	*Number of shares*
August 2001	15,000
September 2001	50,000
	65,000
July 2002	48,400
August 2002	50,000
September 2002	6,000
	104,400

The following changes have taken place in the share capital of Centaur Holdings plc since incorporation:

On 30 October 2003, 2 subscriber shares of £1 were issued, credited as fully paid.

By a written resolution passed on 23 February 2004, each of the issued and unissued ordinary shares of £1.00 each were sub-divided into 2 ordinary shares of £0.50 each and the authorised share capital of the Company was increased to £20,080,000 by the creation of 198,000 ordinary shares of £0.50 each and 199,800,000 ordinary shares of £0.10 each.

On 23 February 2004, 99,998 ordinary shares of £0.50 each were allotted to each of Colin Morrison and Patrick Taylor at a subscription price of £0.50 per share.

At an extraordinary general meeting of the Company held on 26 February 2004, each of the 200,000 issued shares of £0.50 each in the capital of the Company was sub-divided into one ordinary share of £0.10 each and four deferred shares of £0.10 each. The deferred shares carry restricted voting rights and carry no right to receive a dividend payment in respect of any financial year.

In addition, an ordinary resolution was passed authorising the Directors to allot shares up to an aggregate nominal value of £19,900,000, and a special resolution was passed disapplying statutory pre-emption rights, thereby empowering the Directors to allot shares for cash up to a nominal value of £739,748, such authorities to expire on 26 February 2009.

On admission to AIM on 10 March 2004, a further 147,794,118 ordinary shares of £0.10 each were issued, credited as fully paid.

At 30 June 2004, options had been granted to the following directors:

	Date of grant	*Number at date of grant*	*Earliest exercise date*	*Expiry date*	*Exercise price (pence)*	*Number at 30 June 2004*
G V Sherren	9.3.04	336,224	9.3.05	9.3.14	11.58	336,224
	9.3.04	886,665	9.3.05	9.3.14	41.67	886,665
G T D Wilmot	9.3.04	30,000	9.3.07	9.3.14	100.00	30,000
	9.3.04	557,333	9.3.07	9.3.14	100.00	557,333
	9.3.04	172,777	9.3.05	9.3.14	41.67	172,777

25. *Share premium account*

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
As at 1 July	13,378	13,436	13,531
Adjustment arising on acquisition of Centaur Communications Limited			(13,531)
Premium on shares issued during the year			
— under share option scheme	58	95	—
— otherwise	—	—	133,015
Issue costs	—	—	(5,968)
As at 30 June	13,436	13,531	127,047

26. *Capital redemption reserve*

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Capital redemption reserve			
At 1 July	483	483	483
Adjustment arising on acquisition of Centaur Communications Limited	—	—	(483)
At 30 June	483	483	—

27. *Other reserves*

The other reserves of £1,486,000 at 30 June 2004 represent the fair value of 241,557 share options in Centaur Communications Limited that were "rolled over" into options in Centaur Holdings plc at the time Centaur Communications Limited was acquired.

Under the provisions of FRS 7 (fair value accounting), a fair value of these shares at 10 March 2004 has been calculated using the Black Scholes option pricing model.

28. Profit and loss account

	£'000
At 1 July 2001	(15,474)
Retained loss for the financial year	(8,628)
At 30 June 2002	(24,102)
Retained profit for the financial year	16,104
At 30 June 2003	(7,998)
Retained profit for the period to 9 March 2004 (note 37)	4,079
	(3,919)
Adjustment arising in respect of the pre-acquisition retained losses of Centaur Communications Limited	3,919
	—
Retained consolidated post-acquisition profit	(940)
At 30 June 2004	(940)
Represented by:	
Retained profit for the financial year to 30 June 2004	3,139
Retained pre-acquisition profit	(4,079)
At 30 June 2004	(940)

29. Operating lease commitments

	Land and buildings			Equipment		
	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*	*30 June 2002 £'000*	*30 June 2003 £'000*	*30 June 2004 £'000*
On leases expiring:						
— within 1 year	38	—	5	7	—	—
— between 2 and 5 years	194	182	173	192	188	188
— after 5 years	2,495	2,497	2,497	—	—	48
	2,727	2,679	2,675	199	188	236

30. Pension scheme

The Group contributes to individual and collective money purchase pension schemes in respect of directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes is shown in note 6. Included within other creditors is an amount of £66,355 (2003: £61,000; 2002: £48,000) payable in respect of the money purchase pension schemes.

31. Capital commitments

The Group had no capital commitments at 30 June 2002, 30 June 2003 and 30 June 2004.

32. Contingent liabilities

Centaur Holdings plc, together with its subsidiary undertakings, has granted a cross guarantee in favour of its bankers in respect of the bank borrowings of the Group. The guarantee is secured by fixed and floating charges over the Group's assets.

33. Equity minority interests

	£'000
At 1 July 2001	57
Share of net income for the year	41
Dividend paid	(51)
At 30 June 2002	47
Dividend paid	(54)
Share of net loss for the year	(32)
Additional investment in I.F.A. Events Limited	(9)
At 30 June 2003	(48)
Sale of investment in Mind Advertising Limited	48
At 30 June 2004	—

34. Net cash inflow from operating activities

Reconciliation of operating profit/(loss) to net cash inflow from operating activities:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Operating profit/(loss)	(6,826)	3,447	3,482
Depreciation of tangible fixed assets (note 14)	2,523	2,836	2,676
Amortisation of goodwill (note 13)	885	245	2,437
Exceptional item — impairment of goodwill	8,823	—	—
Loss/(profit) on disposal of fixed assets	(23)	11	(4)
(Increase)/decrease in stocks	51	(710)	75
Decrease in debtors	2,239	1,332	425
Increase/(decrease) in creditors	65	607	(626)
(Decrease)/increase in provisions	445	(832)	(695)
Net cash inflow from operating activities	8,182	6,936	7,770

35. Reconciliation of net cash flows to movements in net debt

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Increase in cash in the year:	1,722	785	5,091
Cash outflow from changes in debt	1,233	15,995	—
Change in net debt resulting from cash flows	2,955	16,780	5,091
Other movements	38	(213)	—
Movement in net debt in the year:	2,993	16,567	5,091
Net (debt)/funds at 1 July	(15,519)	(12,526)	4,041
Net (debt)/funds at 30 June	(12,526)	4,041	9,132
Represented by:			
Cash at bank and in hand	3,300	4,085	9,132
Bank and other borrowings due in less than one year	(2,039)	(44)	—
Bank and other borrowings due in more than one year	(13,787)	—	—
Net (debt)/funds at 30 June	(12,526)	4,041	9,132

36. *Disposal of subsidiary undertakings*

(a) During the year ended 30 June 2003, the Group disposed of its subsidiary companies Lawtel Limited and Consultancy Europe Associates Limited, the online legal reporting business, to Thomson Legal & Regulatory Europe Limited ("Thomson") for a consideration of £21,758,000. Of this consideration, an amount of £1,450,000 is deferred over three years, with £617,000 being receivable within one year. Included within other debtors is an amount of £288,000 being corporation tax payable by Thomson to the Group upon receipt from the taxation authority. The resulting profit on disposal was £15,385,000. The results of this online legal reporting business are included within discontinued activities.

The net assets on disposal comprised:

	Lawtel Limited £'000	*Consultancy Europe Associates Limited £'000*	*Total £'000*
Fixed assets	1,067	34	1,101
Trade debtors	783	56	839
Prepayments	28	—	28
Corporation tax repayable	288	—	288
Other creditors	(4)	—	(4)
Cash at bank and in hand	6,655	7	6,662
Inter company	943	(943)	—
Social security and other taxes	(659)	—	(659)
Accruals and deferred income	(2,590)	(161)	(2,751)
	6,511	(1,007)	5,504
Sales proceeds (net of expenses)	20,962	—	20,962
Less: net assets disposed	(6,511)	1,007	(5,504)
	14,451	1,007	15,458
Less: net book value of goodwill disposed (note 13)	—	(73)	(73)
Profit on disposal of subsidiary undertakings	14,451	934	15,385

As a result of the above disposals, the Group was left with a substantial amount of idle property. This resulted in an exceptional charge to the Group of £1,777,000 in the year ended 30 June 2003, of which £841,000 (2003: £1,390,000) remained provided for at the year end (note 22).

(b) During the year ended 30 June 2003, the Group also sold the Leisure and Hospitality Business to William Reed Publishing Limited for a consideration of £1, resulting in a profit on disposal of £1. The results of this publication are included within discontinued activities.

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Operating profit/(loss) attributable to the subsidiary undertakings disposed:			
Lawtel Limited	(80)	109	(79)
Consultancy Europe Associates Limited	(470)	(105)	17
	(550)	4	(62)
Leisure and Hospitality Business	(119)	(360)	(66)
Operating loss	(669)	(356)	(128)

37. Acquisitions

Year ended 30 June 2003

	Perfect Information Limited (a)	*I.F.A. Events Limited (b)*	*Market Research Exhibitions Limited (c)*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Tangible fixed assets	—	39	—	39
Stocks	—	—	—	—
Debtors	—	417	42	459
Cash at bank and in hand	—	302	26	328
Creditors: amounts falling due within one year	—	(716)	(68)	(784)
	—	42	—	42
Minority interests	—	(33)	—	(33)
Group share of net assets acquired	—	9	—	9
Goodwill	9	446	51	506
Consideration	9	455	51	515
Satisfied by:				
Cash	9	455	51	515

The following information relates to acquisitions during the year ended 30 June 2003:

(a) Perfect Information Limited

On 30 September 2002, the Centaur Communications Group acquired a further 0.207 per cent. of the issued share capital of Perfect Information Limited for a consideration of £9,000. The purchase was accounted for by the acquisition method of accounting. The book values of the assets and liabilities acquired, which are shown in the table above, approximated to their fair values.

(b) I.F.A. Events Limited

On 29 October 2002, the Centaur Communications Group acquired the remaining 20 per cent. of the issued share capital of I.F.A. Events Limited for a consideration of £454,905. This purchase was accounted for by the acquisition method of accounting. The book values of the assets and liabilities acquired, which are shown in the table above, approximated to their fair values.

(c) Market Research Exhibitions Limited

On 6 January 2003, the Centaur Communications Group acquired the remaining 50 per cent. of the issued share capital of Market Research Exhibitions Limited for a consideration of £50,925. This purchase was accounted for by the acquisition method of accounting. The book values of the assets and liabilities acquired, which are shown in the table above, approximated to their fair values.

Year ended 30 June 2004

Centaur Communications Group

On 10 March 2004, the Group acquired 100 per cent. of the share capital of Centaur Communications Limited and its subsidiaries and this has been accounted for using acquisition accounting.

The following table sets out, at the date of acquisition, the book value and the provisional fair value of the assets and liabilities acquired:

	Book value at 9 March 2004	*Provisional fair value adjustments*	*Fair value to group*
	£'000	*£'000*	*£'000*
Tangible fixed assets	5,848	(200)	5,648
Investments	185		185
Stocks	1,648		1,648
Trade debtors	8,949		8,949
Other debtors	4,615		4,615
Deferred tax asset	2,164		2,164
Cash at bank and in hand	6,274		6,274
Creditors — amounts falling due within one year	(18,756)		(18,756)
Provisions for liabilities and charges	(3,627)		(3,627)
Total net assets	7,300	(200)	7,100
Goodwill			140,698
Consideration			147,798
Consideration satisfied by:			
Cash			127,634
Shares			15,898
Expenses			2,780
Fair value of Centaur Communications Limited "rolled over" share options			1,486
			147,798

A fair value adjustment of £200,000 has been made in respect of tangible assets considered to be obsolete at the date of acquisition.

The summary profit and loss account for Centaur Communications Limited for the period 1 July 2003 to 9 March 2004 is as follows:

	£'000
Turnover	42,761
Cost of sales	(24,408)
Gross profit	18,353
Distribution costs	(3,028)
Administrative expenses	(13,485)
Operating profit	1,840
Interest receivable and similar income	125
Amounts written off investments	(274)
Interest payable and similar charges	(3)
Profit on ordinary activities before taxation	1,688
Tax on profit on ordinary activities	2,391
Profit for the financial period	4,079

The profit before taxation for the year to 30 June 2003 was £16,177,000 and this included a profit of £15,385,000 in respect of the disposals of Lawtel Limited and Consultancy Europe Associated Limited. Profit for the financial year for the year ended 30 June 2003 was £15,538,000.

Synergy Software Group

On 21 July 2003, Centaur Communications Limited acquired 10 per cent. of the share capital of Synergy Software Solutions Limited and its subsidiary companies ("Synergy") and on 23 October 2003 Centaur Communications Limited acquired the remaining 90 per cent. of the share capital for a total cash consideration of £1,242,000. In addition, deferred consideration is payable based on the operating profits of Synergy up to 30 June 2007. At 30 June 2004, a provision of £2,500,000 is held as the directors' best estimate of the deferred consideration payable.

The net liabilities acquired with Synergy and all provisional fair value adjustments in respect of those net liabilities are fully reflected within the net assets acquired Centaur Communications Limited on 10 March 2004.

38. Related party transactions

There were no transactions during the years ended 30 June 2002, 30 June 2003 and 30 June 2004, or balances at the respective year end with related parties.

39. Financial instruments

Treasury policy

The following note describes the role that financial instruments have had, during the period 30 October 2003 to 30 June 2004 in the management of the Group's funding and liquidity risks, and interest and foreign exchange rate risks.

The Company was incorporated on 30 October 2003 and did not trade until 10 March 2004 when it acquired Centaur Communications Limited and on the same day was unconditionally admitted to AIM.

The day to day operations of the Group since 10 March 2004 have been financed primarily by cash and at 30 June 2004, cash at bank and in hand amounted to £9,132,000. This included an amount of £3,429,000 held on deposit on behalf of the holders of Centaur Holdings plc loan stock which represents a restricted balance and therefore cannot be used in the day to day operations of the business.

Unrestricted cash balances at 30 June 2004 were £5,703,000 (2003: £4,041,000; 2002: £1,261,000).

Surplus working capital funds are placed on the London money markets using variable maturity dates depending on future cash requirement. Cash pooling arrangements have been made in respect of all GB Sterling, Euro and US dollar accounts to maximise the interest receivable on these surplus funds.

Substantially all the Group's net assets are located and all turnover and EBITDA are generated in the United Kingdom and consequently foreign exchange risk is limited. However, the Group does have Euro, Hong Kong Dollar and US Dollar denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

At 30 June 2004, the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Holdings plc loan stock) and therefore also has only limited exposure to interest rate risk.

As described in note 22, Centaur Communications Limited had, prior to acquisition by Centaur Holdings plc, entered into an interest rate swap arrangement under which the variable rate applying to a principal amount of £10,000,000 of a term loan is swapped to a fixed rate of 5.88 per cent. until 1 November 2004. This term loan had been fully repaid, also prior to acquisition, and as a result a full provision had been made in respect of this onerous interest rate swap agreement.

Short term debtors and creditors that meet the definition of a financial asset or liability under FRS 13 have been excluded from all numerical disclosures in this note.

Fair values of financial instruments

The fair value is defined as the amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. Where market rates are not available fair values have been calculated by discounting cash flows at prevailing interest rates.

The fair value of financial instruments was:

Primary financial instruments held or issued to finance the Group's operations

	30 June 2002 Book value £'000	*30 June 2002 Fair value £'000*	*30 June 2003 Book value £'000*	*30 June 2003 Fair value £'000*	*30 June 2004 Book value £'000*	*30 June 2004 Fair value £'000*
Overdraft	(2,039)	(2,039)	(44)	(44)	—	—
Cash balances	3,300	3,300	4,085	4,085	9,132	9,132
Fixed rate unsecured loan notes	—	—	—	—	(3,429)	(3,429)
Term loan	(13,787)	(13,787)				
Deferred consideration	—	—	—	—	(2,500)	(2,160)
Investments	459	459	459	459	185	185
Other financial liabilities	(445)	(445)	(1,390)	(1,267)	(841)	(782)

Derivative financial instruments held to manage risk profile

	30 June 2002 Book value £'000	*30 June 2002 Fair value £'000*	*30 June 2003 Book value £'000*	*30 June 2003 Fair value £'000*	*30 June 2004 Book value £'000*	*30 June 2004 Fair value £'000*
Interest rate swap	(42)	(42)	(360)	(360)	(46)	(46)

The book value of primary financial instruments approximates to fair value where the instruments are on a short maturity or where they bear interest at rates approximate to the market. In respect of the loan notes this rate of interest is equal to a rate 0.75 per cent. below LIBOR for the relevant interest period.

The book value of fixed asset investments approximates to the fair value, being the directors' best estimate of the value of the unlisted investment.

The maturity of financial liabilities

The maturity profile of the Group's financial liabilities was as follows:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
In one year or less, or on demand	(2,484)	(715)	(3,993)
In more than one year but not more than two years	(3,787)	(781)	(258)
In more than two years but not more than five years	(10,042)	(298)	(2,565)
In more than five years	—	—	—
	(16,313)	(1,794)	(6,816)

Borrowing facilities

The undrawn facilities available were as follows:

	30 June 2002 £'000	*30 June 2003 £'000*	*30 June 2004 £'000*
Expiring in one year or less	—	—	—
Expiring in more than one year but not more than two years	—	—	—
Expiring in more than two years	4,000	16,000	4,000

Yours faithfully

Ernst & Young LLP

PART 4

Additional Information

1. Incorporation and status of the Company

The Company was incorporated and registered in England and Wales under the Companies Act on 30 October 2003 with registered number 4948078 as a private company limited by shares with the name De Facto 1093 Limited. On 29 January 2004 the Company changed its name to Centaur Holdings Limited and on 26 February 2004 the Company re-registered as a public limited company under section 43 of the Companies Act with the name Centaur Holdings plc.

The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

The registered office of the Company is at St Giles House, 50 Poland Street, London W1F 7AX.

2. Share capital

(a) At the date of this document the authorised share capital of the Company is £20,080,000 divided into 200,000,000 ordinary shares of £0.10 each and 800,000 deferred shares of £0.10 each, of which 147,994,118 ordinary shares of £0.10 each and 800,000 deferred shares of £0.10 each have been issued, fully paid or credited as fully paid.

(b) The authorised share capital of the Company on incorporation was £1,000 divided into 1,000 ordinary shares of £1 each of which two were subscribed at par, nil paid, by Travers Smith Limited and Travers Smith Secretaries Limited both having their registered office at 10 Snow Hill, London EC1A 2AL.

(c) The following changes have taken place in the share capital of the Company since incorporation:

(i) On 19 February 2004, the two subscriber shares of £1.00 each were transferred to Colin Morrison and Patrick Taylor respectively for £1.00 per share, each £1.00 paid.

(ii) By a written resolution passed on 23 February 2004, each of the issued and unissued ordinary shares of £1.00 each were sub-divided into 2 ordinary shares of £0.50 each and the authorised share capital of the Company was increased to £20,080,000 by the creation of 198,000 ordinary shares of £0.50 each and 199,800,000 ordinary shares of £0.10 each.

(iii) On 23 February 2004, 99,998 ordinary shares of £0.50 each were allotted to each of Colin Morrison and Patrick Taylor at a subscription price of £0.50 per share.

(iv) At an extraordinary meeting of the Company held on 26 February 2004, each of the 200,000 issued ordinary shares of £0.50 each in the capital of the Company was sub-divided into 1 Ordinary Share and 4 Deferred Shares.

(v) On 10 March 2004, on completion of the Acquisition and the D Offer and pursuant to the authority given by the resolution referred to in paragraph (d) below, 131,895,934 Ordinary Shares were allotted to Numis Nominees Limited pursuant to the Placing and 15,898,184 Ordinary Shares were allotted to certain shareholders of CCL who elected to receive such Ordinary Shares as consideration for the acquisition of 1,840,878 ordinary shares of 10p each in the capital of CCL by the Company.

(d) On 26 February 2004 special resolutions were passed in the following terms:

(i) the directors of the Company were unconditionally authorised in accordance with section 80 of the Companies Act to allot relevant securities (as defined in sub-section 80(2) of the Companies Act) up to an aggregate nominal amount of £19,900,000, such authority to expire on 26 February 2009; and

(ii) the directors of the Company were empowered to allot equity securities (as defined in sub-section 94(2) of the Companies Act) as if sub-section 89(1) of the Companies Act did not apply during the period of the authority referred to in (i) above provided that such power is limited to (a) the allotment of equity securities pursuant to the Placing, (b) the allotment of equity securities pursuant to a rights issue or other pre-emptive offering, and (c) in addition to (a) – (b) above up to an aggregate nominal value of £739,748.

(e) Immediately following the AIM Admission, the authorised share capital of the Company was £20,080,000 divided into 200,000,000 Ordinary Shares and 800,000 Deferred Shares, of which 147,994,118 Ordinary Shares and 800,000 Deferred Shares were issued, fully paid or credited as fully paid.

(f) At the annual general meeting of the Company held on 25 November 2004, the following resolutions were passed:

(i) That, *inter alia*, for the purposes of section 80 of the Companies Act the directors were generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £5,200,588.20 to such persons and at such times and on such terms as they think proper during the period expiring on 25 November 2009, but shall extend to the making prior to the expiry of such period to any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period, and the directors may allot relevant securities in pursuance of any such offer or agreement.

(ii) That the directors were empowered in accordance with section 95 Companies Act to sell treasury shares and make other allotments of equity securities for cash, pursuant to the authority conferred on them to allot relevant securities in each case as if section 89(1) and sub-sections (1) — (6) of section 90 of the Companies Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

(a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusion or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and

(b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value not exceeding £739,970.60,

and this power, unless renewed, shall expire on 25 November 2009 but shall extend to the making, before such expiry, of an offer or agreement which would or might require an allotment of equity securities to be made after such expiry and the directors may make an allotment of equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

(g) At the annual general meeting of the Company held on 25 November 2004 a special resolution was passed to cancel the share premium account of the Company. The cancellation of the share premium account will not become effective unless it is approved by the High Court. On 26 November 2004, the Company filed a petition at the High Court seeking approval for the cancellation. There is currently £127,047,000 standing to the credit of the share premium account. The share premium account arose upon allotment of ordinary shares pursuant to the Placing.

The Court hearing of the petition will take place on Wednesday, 12 January 2005. The cancellation will take effect upon the registration of the order of the Court confirming the cancellation with the Registrar of Companies (such date being the "Effective Date"). The Effective Date is expected to be on or about 13 January 2005, but is subject to the progress of the Court process. The purpose of the cancellation is to provide the Company with additional distributable reserves thereby allowing the Company to pay dividends should the Directors consider this to be appropriate.

Prior to confirming the cancellation, the Court will need to be satisfied that the interests of the Company's creditors are not adversely affected thereby. In this regard, the Company has offered the following undertaking to the High Court:

(i) to transfer to a Special Reserve in the books of account of the Company an amount equal to the sum arising upon the proposed cancellation of share premium account taking effect, namely £127,047,000;

(ii) that such reserve shall:

(a) not be treated as representing realised profits of the Company; and

(b) be treated as an undistributable reserve of the Company for the purposes of section 264 of the Companies Act 1985 or any modification or re-enactment thereof, as it may apply to the Company;

for so long as there shall remain outstanding any debt of or claim against the Company as at the Effective Date which, if such were the date of commencement of the winding up of the Company would have been admissible in proof against the Company and the persons entitled to the benefit thereof shall not have agreed otherwise;

PROVIDED THAT

(i) the Company may reduce the amount of the Special Reserve by the amount of any increase in the paid up share capital or in its share premium account for new consideration which occurs after the Effective Date (save for amounts received by the Company to finance a redemption or purchase of shares under Chapter 7 Part V of the Companies Act 1985) or by the capitalisation of distributable reserves;

(ii) the Company shall be entitled to use the sums standing from time to time to the credit of the Special Reserve for the same purposes it could use a share premium account; and

(iii) the Company shall be entitled to release the Special Reserve upon transferring to a blocked trust bank account a sum (the "Protected Sum") equal to the amount owed to the non-consenting creditors of the Company who were (a) creditors of the Company on the Effective Date and (b) creditors of the Company at the date of the release of the Special Reserve (the "Relevant Creditors"). Such trust bank account shall be used for the sole purpose of discharging the claims of the Relevant Creditors.

(h) The Ordinary Shares are registered and may be held in certificated or uncertificated form.

(i) Save as set out below in paragraph 4, the Directors have no present intention to issue any share or loan capital in the Company following Admission.

(j) Save as set out in paragraph 13 of Part 1 of this document, no shares in the capital of the Company are under option or have been agreed, conditionally or unconditionally, to be put under option.

(k) Save as set out below there have been no material changes in the issued share capital of any of the subsidiary undertakings of the Company in the three years preceding the date of this document.

At the date of this document the authorised share capital of CCL is £5,000,000. The following changes have occurred in the share capital of CCL during the three years preceding the date of this document:

(i) At 14 December 2001, there were 15,389,757 shares in issue comprising 2,272,490 A ordinary shares of £0.10 each, 5,428,194 B ordinary shares of £0.10 each. 5,457,169 C ordinary shares of £0.10 each and 2,231,904 D ordinary shares of £0.10 each.

(ii) On 1 August 2002, CCL allotted 48,400 D ordinary shares of £0.10 each at a price of £0.10 per D ordinary share.

(iii) On 10 September 2002, CCL allotted 50,000 D ordinary shares of £0.10 each at a price of £0.10 per D ordinary share.

(iv) On 31 October 2002, CCL allotted 6,000 D ordinary shares of £0.10 each at a price of £0.10 per D ordinary share.

(v) On 30 October 2003, CCL allotted 50,000 D ordinary shares of £0.10 each at a price of £0.10 per D ordinary share.

(vi) On 9 March 2004, CCL allotted 1,563,939 D ordinary shares of £0.10 each at a price of £0.10 per D ordinary share.

3. Memorandum and articles of association

The memorandum of association of the Company provides that the Company's principal object is to carry on business as a holding company. The objects of the Company are set out in full in clause 4 of its memorandum of association, which is available for inspection at the address specified at paragraph 17 of this Part 4.

The articles of association of the Company (the "Articles") contain provisions, *inter alia*, to the following effect:

(a) ***Voting rights***

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every shareholder present in person at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every shareholder present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

The duly authorised representative of a corporate shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A shareholder is not entitled to vote unless all calls due from him have been paid.

(b) ***Suspension of rights***

Where a member or any other person who appears to be interested in shares held by a member has been duly served with a notice under section 212 of the Companies Act and has failed to supply the Company with the information thereby required within the period specified in such notice (being not less than 14 days where such shares represent at least 0.25 per cent. of the issued shares of their class and, in any other case, 28 days from the date of service of such notice), or has supplied information which is false or misleading in any material particular, the Board may serve the holder of the relevant shares (the "disenfranchised member") with a disenfranchisement notice whereupon:

(i) such disenfranchised member shall not, with effect from the service of the disenfranchisement notice, be entitled to attend meetings or vote (either in person or by representation or by proxy) in respect of the relevant shares; and

(ii) where such shares represent at least 0.25 per cent. in nominal value of the issued shares in their class:

(A) any dividends or other monies payable in respect of such relevant shares may be withheld by the Company which shall not be under any obligation to pay interest on them; and

(B) no transfer, other than any excepted transfer, of shares held by the disenfranchised member in certificated form shall be registered unless the disenfranchised member can establish that he is not in default in supplying the information and can establish to the satisfaction of the Board that no person in default in supplying the information is interested in the shares. An excepted transfer is defined in the Articles as a transfer pursuant to acceptance of an offer made to all holders of shares or any class of shares, a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the UK in which the Company's shares are normally traded or a transfer which is shown to the satisfaction of the Board to be made in consequence of a *bona fide* sale of the whole of beneficial interest in the shares in question to a person who is unconnected with the holder of such shares and with any other person appearing to be interested in such shares.

Such disentitlement will apply for a period ending not later than 7 days after the date on which the notice from the Company is complied with.

(c) ***Dividends***

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

(d) ***Return of capital***

On a voluntary winding-up of the Company the liquidator may, with the sanction of an extraordinary resolution of the Company and subject to the Companies Act, the Insolvency Act 1986 (as amended) and the rights of holders of Deferred Shares, divide amongst the shareholders of the Company *in specie* the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(e) ***Transfer of shares***

The Ordinary Shares and Deferred Shares are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "Participating Securities". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate ("Certificated Shares") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid provided that where any such shares are admitted to the Official List, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Board may also decline to register any transfer of a share, not being a fully paid share on which the Company has a lien.

The Board may refuse to register a transfer of a share unless:

(i) in the case of a Certificated Share, the duly stamped instrument of transfer is lodged at the registered office of the Company or at another place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

(ii) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and

(iii) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001, as amended, allow it to do so, and must do so where such regulations so require.

(f) ***Variation of rights***

Subject to the Companies Act and to any special terms as to variation of rights mentioned below, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(g) ***Deferred Shares***

The rights and privileges attached to the Deferred Shares are as follows:

(i) the Deferred Shares shall carry no right to receive any dividend in respect of any financial year or other period of the Company;

(ii) on any return of capital on a winding up or otherwise, the holders of the Deferred Shares shall be entitled to receive the amount paid up or credited as paid up on their respective holdings of Deferred Shares, provided that any such payment shall be made only after a minimum aggregate amount of £1,000,000 has been paid in respect of each of the Ordinary Shares, but the holders of the Deferred Shares shall not be entitled to participate further in any distribution of the assets of the Company;

(iii) the holders of the Deferred Shares shall have no right to receive a certificate in respect of their holding or to receive notice of, or attend, speak or vote either in person or by proxy at, any general meeting by virtue of their holdings of such Deferred Shares;

(iv) neither the passing by the Company of any special resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the High Court nor the obtaining by the Company nor the making by the High Court of an order confirming any such reduction of capital nor the making effective of such an order shall constitute a modification or abrogation of the rights or privileges attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Companies Act without any sanction required on the part of the holders of the Deferred Shares;

(v) the special rights conferred by the Deferred Shares shall not be deemed to be modified or abrogated by the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares; and

(vi) the creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same, without making any payments to the holder thereof, to such persons as the Company may determine as custodian thereof and to cancel the same (in accordance with the provisions of the Companies Act) without making any payment to or obtaining the sanction of the holder thereof and pending such transfer and/or cancellation to retain the certificate for such shares.

(h) ***Share capital and changes in capital***

Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued with such rights or such restrictions as the Company shall from time to time determine by ordinary resolution.

Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any unissued shares and any shares lawfully held by the Company or on its behalf (such as shares held in the Company) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount and (subject to the provisions of the Companies Act) sub-divide its shares or any of them into shares of a smaller amount than is fixed by its memorandum of association (and so that the resolution may determine that, as between the holders of shares resulting from the sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others), cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the Companies Act, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

Subject to the Companies Act, the Company may purchase all or any of its own shares of any class (including any redeemable shares).

(i) ***Non-UK shareholders***

Unless the Directors expressly resolve otherwise, shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(j) ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any of a shareholder's shares in the Company if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and the Company has received no communication from such shareholder.

(k) ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital, and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

(l) ***Directors***

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

(i) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he himself has assumed any responsibility in whole or part alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company or any of its subsidiaries;

(iv) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);

(v) any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and

(vi) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of its Directors or for persons who include Directors of the Company, provided that for that purpose "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors shall not exceed £500,000 per annum. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged on the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses or liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by section 310 of the Companies Act.

The Directors are obliged to retire by rotation and are eligible for re-election at intervals of no more than three years. The Directors to retire will be those who have been longest in office or, in the case of those who became or were re-elected Directors on the same day, will unless they agree otherwise be determined by lot. Any Director appointed by the Board holds office only until the next Annual General Meeting, when he is eligible for re-election, but is not taken into account in determining the number of Directors to retire by rotation at that meeting.

There is no age limit for Directors and section 293 of the Companies Act does not apply to the Company.

Unless and until otherwise determined by Ordinary Resolution of the Company, the Directors (other than alternate Directors) shall not be less than two in number.

(m) ***Redemption***

The Ordinary Shares and the Deferred Shares are not redeemable.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 17 below.

4. Share Option Schemes

The Share Option Scheme

On 9 March 2004 the Company adopted the Share Option Scheme. The Share Option Scheme comprises an Inland Revenue approved scheme, which was approved by the Inland Revenue under reference number X22705 with an unapproved schedule.

All options granted under the Share Option Scheme may be granted subject to performance conditions to be determined by the Remuneration Committee of the Board.

Paragraph 13 of Part 1 to this document gives details of the current options granted under the Share Option Scheme. All such options were granted for no consideration.

The principal terms of the Share Option Scheme are as follows:

(a) Inland Revenue approved options may be granted to any employee or full time director of the Company or any of its subsidiaries.

(b) Inland Revenue approved options are exercisable between the third anniversary and the tenth anniversary of the date of grant. The options may, however, be exercised within six months of an option holder ceasing employment by reason of injury, disability, redundancy, retirement on or after the age of 55, or the option holder's employing company ceasing to be under the control of the Company, notwithstanding that the three year period from the date of grant has not elapsed and any performance conditions have not been satisfied (except in the case of retirement). The options may also be exercised by an option holder's personal representatives within 12 months of the date of his death. If an option holder is transferred to work in another country and will as a result suffer a tax disadvantage or a restriction on his ability to exercise his options or transfer the shares that he receives as a result of the exercise of the options, he may exercise his options in the period commencing three months before and ending three months after such transfer takes place.

(c) Inland Revenue approved options may be exercised within six months of a change of control of the Company, following which they will lapse. If, under sections 428 to 430F of the Companies Act any person becomes bound or entitled to acquire any class of shares of the Company over which options have been granted, the Board is required to notify every option holder and options may be exercised within one month of such notification following which they will lapse. The Board may decide to what extent any performance conditions attaching to the options must be satisfied in order for the options to be exercised.

(d) Inland Revenue approved options may also be exercised within six months of a court sanctioning a compromise or arrangement under section 425 of the Companies Act, or within six months of a change of control or reconstruction which results in the Company ceasing to be listed on AIM or the Official List. Options that are not exercised during these periods will lapse. The Board may decide to what extent any performance conditions attaching to the options must be satisfied in order for the options to be exercised.

(e) If any company obtains control of the Company, option holders may, by agreement with that company release their old options in consideration for the grant of new options of equal value and at an exercise price equal to the exercise price of the old options, provided that their old options have not then lapsed. The new options will be granted on the same terms as the old options.

(f) Inland Revenue approved options are to be issued at a price equal to the market value of the shares at the date of grant.

(g) Inland Revenue approved options may be granted over shares with an aggregate market value of up to £30,000. There is also a limit of four times an individual's relevant earnings on the grant of such options.

(h) The Board may not make alterations to the rules of the Share Option Scheme relating to:

  (i) the definition of an eligible employee;

  (ii) limitations on the number of shares subject to the Share Option Scheme;

  (iii) the maximum entitlement of any option holder; and

  (iv) the basis for determining an option holder's entitlement to and the terms of shares to be provided, and any adjustment to that basis in the event of a reorganisation or reduction of share capital,

(other than minor amendments) without the prior approval of the Company in general meeting (and where appropriate the prior approval of the Inland Revenue).

(i) Options granted under the Share Option Scheme will not be pensionable

The principal terms of the Share Option Scheme relating to unapproved options are similar to those relating to approved options save that there is no £30,000 individual limit on the value of shares (on grant) that can be subject to unapproved options. Unapproved options may also be granted to those executive directors who are not full time directors of the Company or any of its subsidiaries.

There is a limit on the grant of options under the Share Option Scheme. Options may not be granted if the number of Ordinary Shares over which they are granted (together with any Ordinary Shares which are subject to options granted pursuant to the Rollover Scheme) exceed 5 per cent of the Ordinary Shares in issue immediately prior to the date of grant of the options.

The PIL Scheme

The principal terms of the PIL Scheme are as follows:

(a) The board of directors of Perfect Information may grant unapproved options to acquire ordinary shares in Perfect Information to employees and directors of Perfect Information and any of its subsidiaries.

(b) Options granted may be made subject to such performance conditions as the board of directors of Perfect Information thinks fit. The options currently granted are subject to performance conditions.

(c) Options may be exercised at any time between the exercise date (a date to be determined by the board of directors of Perfect Information) and the tenth anniversary of the date of grant. The existing options granted under the PIL Scheme have been granted in three separate tranches with exercise dates of 30 October 2002, 30 October 2003 or 30 October 2004.

(d) The PIL Scheme will terminate on 8 February 2010.

Under a Deed Poll executed on 28 March 2001, CCL has agreed to purchase ordinary shares of Perfect Information issued pursuant to the exercise of options granted under the PIL Scheme over a three year period. The price at which CCL has agreed to purchase the ordinary shares is determined by taking the average of 10 times the annual profits of Perfect Information for the two financial years ending immediately prior to the date on which Perfect Information receives notification from an option holder that he wishes to sell shares, divided by the number of ordinary shares in Perfect Information at the time of receipt of the notice.

Paragraph 13 of Part 1 of this document gives details of the current options granted under the PIL Scheme and the proposals for the grant of further options following Admission. Both current options and proposed options were, or will be, granted for no consideration.

The Rollover Scheme

On 9 March 2004 the Company adopted the Rollover Scheme. The Rollover Scheme was adopted in order to provide for the grant of options over shares in the Company to holders of existing options (at the time) over shares in CCL in exchange for the surrender of a percentage of their existing options (which had in turn been granted for nominal consideration). Paragraph 13 of Part 1 of this document gives details of the options granted under the Rollover Scheme. The Company does not intend to grant any further options under the Rollover Scheme.

The principal terms of the Rollover Scheme are as follows:

(a) Rollover options are not Inland Revenue approved options.

(b) Rollover options are exercisable between the first and tenth anniversary of the date of grant. The options may, however, be exercised within six months of an option holder ceasing employment by reason of injury, disability, redundancy or retirement on or after reaching the age of statutory retirement, notwithstanding that the one year period from the date of grant has not elapsed. The options may also be exercised by an option holder's personal representatives within 12 months of the date of his death. If an option holder ceases to be employed by the Company in a full time capacity but continues to provide services to the Group on a part-time or self-employed basis, then the Board may in its discretion (but taking into account any recommendation of the Remuneration Committee) determine that the option holder's options do not lapse until the option holder ceases to provide those services.

(c) Rollover options are not subject to the satisfaction of any performance conditions.

(d) Rollover options may be exercised within six months of a change of control of the Company, following which they shall lapse. If under sections 428 to 430F of the Companies Act any person becomes bound or entitled to acquire any class of shares of the Company over which rollover options have been granted, the Board is required to notify every option holder and options may be exercised within one month of such notification following which they will lapse.

(e) Rollover options may also be exercised within six months of a court sanctioning a compromise or arrangement under section 425 of the Companies Act, or within six months of a change of control or reconstruction which results in the Company ceasing to be listed on AIM or the Official List. Options that are not exercised during these periods will lapse.

(f) If any company obtains control of the Company, option holders may, by agreement with that company release their old options in consideration for the grant of new options of equal value and at an exercise prise equal to the exercise price of old options, provided that their old options have not then lapsed. The new options will be granted on the same terms as the old options.

(g) The Board may not make alterations to the rules of the Rollover Scheme relating to:

(i) the definition of eligible employee;

(ii) limitations on the number of shares subject to the Rollover Scheme;

(iii) the maximum entitlement of any option holder; and

(iv) the basis for determining an option holder's entitlement to and to the terms of shares to be provided and any adjustment to that basis in the event of a reorganisation or reduction of share capital,

(other than minor amendments) without prior approval of the Company in general meeting.

(e) Options granted under the Rollover Scheme will not be pensionable.

5. Information on the Directors

(a) The names, business addresses and functions of the Directors (all of whose business address is St Giles House, 50 Poland Street, London W1F 7AX) are as follows:

Directors

Name	*Function*
Graham Sherren	Executive Chairman and Chief Executive Officer
Geoffrey Wilmot	Chief Financial Officer
Thomas Scruby	Non-executive Director
Colin Morrison	Non-executive Director
Patrick Taylor	Senior Non-executive Director

(b) In addition to any directorship of a member of the Group, the Directors hold or have held the following directorships within the five years prior to the date of this document:

Director	*Current directorships/partnerships*	*Past directorships/ partnerships*
Graham Sherren	Hundred Acre Securities Limited Intype Libra Limited Linguaphone Group Limited Duplo International Limited Libra Document Solutions Limited	Network Publishing Limited Centaur Research Limited Rapport Publishing Limited Centaur Information Limited Periodical Publishers Association Limited Chivers Communications Limited Lawtel Limited
Geoffrey Wilmot	None	Consultancy Europe Associates Limited
Colin Morrison	Mark Allen Group Limited Australian Consolidated Press (UK) Limited ACP Media (UK) Limited	The Future Network PLC Axel Springer International Group Limited Periodical Publishers Association Limited

Director	*Current directorships/partnerships*	*Past directorships/ partnerships*
Thomas Scruby	Quester VCT PLC Quester VCT 2 PLC Linguaphone Group Limited Data Financial Services Limited Hamblebrook Developments Limited Orgiv Limited Contingency Planning Associates Limited Scantrack Limited Idcorp Limited Surveillance International Limited Calibre Legal Recruitment Limited	North Yorkshire Securities PLC Campari International PLC Knickerbox (Holdings) Limited Acorn Business Centres Limited Impressing Limited Tarsus Group PLC Chivers Communications Limited Gieves & Hawkes PLC Lawtel Limited Consultancy Europe Associates Limited Hayling Garages Limited Fred Guy Limited Spring Top Limited Scantrack Healthcare Systems (UK) Limited
Patrick Taylor	The Future Network PLC Lowwood Products Limited Nonstopski Limited Origgio Limited	GWR Group plc Independent Radio News Limited Radio Advertising Bureau Limited Satellite Media Services Limited

(c) Graham Sherren has an indirect substantial shareholding in In Type Limited, a typesetting company with which the Centaur Group conducts some business. The total value of these transactions amounted to approximately £800 over the last year.

(d) Save as set out in paragraphs 5(b) and 5(c) above none of the Directors has any business interests or activities outside the Group which are significant with respect to the Group.

(e) Save as disclosed in paragraphs (f) and (g) below, none of the Directors:

(i) has any unspent convictions in relation to indictable offences;

(ii) has been made bankrupt or has made an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets;

(iii) has been a director of any company which, whilst he was such a director or within 12 months after his ceasing to be such a director, was put into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with the company's creditors generally or with any class of creditors of any company or had an administrator or an administrative or other receiver appointed;

(iv) has been a partner in any partnership, which, whilst he was a partner, or within 12 months after his ceasing to be a partner, was put into compulsory liquidation or had an administrator or an administrative or other receiver appointed or entered into any partnership voluntary arrangement;

(v) has had an administrative or other receiver appointed in respect of any asset belonging either to him or to a partnership of which he was a partner at the time of such appointment or within the 12 months preceding such appointment; or

(vi) has received any public criticisms by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

(f) Thomas Scruby was a non-executive director of the following companies which, during the period of his directorships, were placed into liquidation:

(i) On 16 July 1996, Campari International plc, a listed company, was placed into liquidation by means of creditors voluntary liquidation. Mr Scruby had become involved with the company through the Gieves Group plc, a company of which he was Executive Chairman. The Gieves Group owned a convertible secured loan note of approximately £250,000 issued by the company. Upon the liquidation, unsecured creditors were owed approximately £4 million of which £2.5 million was inter-company debt.

(ii) In December 1997, Knickerbox Limited, a wholly-owned subsidiary of Knickerbox (Holdings) Limited in which company Gieves Group plc owned a 49.5 per cent. interest, was placed into administration and its business and assets were sold as a going concern. Following completion of the administration, Knickerbox (Holdings) Limited, a company of which Mr Scruby was a director, was placed into liquidation and was finally dissolved on 12 August 2000. Upon liquidation, there was a shortfall to creditors of approximately £1.7 million.

(iii) On 3 August 2001, North Yorkshire Securities plc an unlisted public company was placed into liquidation by means of creditors voluntary liquidation. Notice of liquidation was sent to all unsecured creditors but no claims against the company were received. Upon liquidation, there was a shortfall to creditors of approximately £2 million of which approximately £330,000 was inter-company debt.

(g) Patrick Taylor was a director of Satellite Media Services Limited, an associated company of Capital Radio plc, which distributed radio programmes via satellite to commercial radio companies in the UK. He represented Capital Radio's interest on the board of the company whilst he was Finance Director of Capital Radio and following his resignation as a director of Capital Radio. Satellite Media Services Limited went into members voluntary liquidation in 1997. Secured creditors were paid in full and unsecured creditors received approximately 87 pence for every pound owing to them.

6. Directors' and other interests

(a) In addition to the options referred to in paragraph 6(b) below, the interests (all of which are or will be beneficial unless otherwise stated) of each Director their immediate families and persons connected with the Director (within the meaning of section 346 of the Companies Act (a "Connected Person")) in the share capital of the Company which (i) have been notified to the Company pursuant to section 324 or 328 of the Companies Act or (ii) are required to be entered on the register of directors' interests maintained under the provisions of section 325 of the Companies Act or (iii) are interests of a Connected Person which would, if the Connected Person were a Director, be required to be described under (i) or (ii) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director at the date of this document and, as they will, be immediately following Admission are as follows:

Director	*Number of Ordinary Shares held at the date of this document and immediately following Admission*	*Percentage of Ordinary Shares held at the date of this document and immediately following Admission*
Colin Morrison†	100,000	0.068
Patrick Taylor†	100,000	0.068
Graham Sherren*	6,905,420	4.67
Geoffrey Wilmot	None	0
Thomas Scruby	232,313	0.16

* 428,270 of the Ordinary Shares held by Graham Sherren are registered in the name of his wife.

† Colin Morrison and Patrick Taylor each hold 400,000 Deferred Shares.

(b) The following Directors hold options over Ordinary Shares pursuant to the Rollover Scheme and the Share Option Scheme as follows. Paragraph 13 of Part 1 of this document gives details of the options granted under the Rollover Scheme and the Share Option Scheme.

Director	Number of options held	Exercise price
Graham Sherren	336,224	11.58p
	886,665	41.67p
Geoffrey Wilmot	172,777	41.67p
	587,333	100.00p

(c) Save as disclosed in paragraphs 6(a) and (b) above, none of the Directors any of their immediate family nor any Connected Person has at the date of this document, or will have immediately following Admission, any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiaries or any related financial products referenced to the Company's Ordinary Shares.

(d) In addition to the interests of Directors disclosed in paragraphs 6(a) and (b) above, so far as the Company is aware, as at 13 December 2004 (being the latest practicable date prior to the publication of this document) the following persons are interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Share Capital
Jupiter Asset Management Limited	12,023,604	8.12%
Griffin Land & Nurseries Inc.	6,477,150	4.38%
UBS Global Asset Management Life Limited	6,131,222	4.14%
Artemis Fund Managers Limited	6,000,000	4.05%
Fidelity International Limited and its direct and indirect subsidiaries, including Fidelity Investment Services Limited	5,000,000	3.38%
AEGON UK plc	4,448,381	3.01%

(e) The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

(f) No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and was effected during the current or immediately preceding financial year or was effected during any earlier financial year which remains outstanding and unperformed in any respect.

(g) There are no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors which are now outstanding.

7. Directors' service agreements and remuneration

(a) ***Executive Directors' service agreements***

Graham Sherren

Mr Sherren entered into a service agreement with the Company on 27 February 2004 and his employment with the Company commenced on 10 March 2004. Mr Sherren commenced employment at CCL on 1 March 1982.

Mr Sherren is entitled to receive a fixed annual salary (which is subject to an annual review by the Remuneration Committee) of £293,750.

In respect of the period from 1 July 2004 an annual bonus of up to a maximum of 75 per cent. of salary will be payable at the discretion of the Remuneration Committee (the bonus to be on such terms and subject to such conditions as the Remuneration Committee may impose).

An annual car allowance of £28,000 is payable to Mr Sherren and he is reimbursed reasonable expenses only (but not personal legal expenses). He is provided with private health insurance for him and his wife, subject to the rules of the relevant scheme, provided that the premiums do not exceed £2,735 per month. The Company has also agreed to pay premiums to a life assurance scheme selected by the Company of an amount that shall not exceed £14,000 per annum.

The service agreement is terminable by either Graham Sherren or the Company on not less than 12 months' prior written notice and the Company has the right to place him on garden leave following the giving of notice by either party. The service agreement shall, in any event, terminate on the date on which Graham Sherren reaches the age of 70. He has undertaken not to solicit certain senior staff, key customers, or key suppliers for six months after termination of employment.

Geoffrey Wilmot

Mr Wilmot entered into a service agreement with CCL on 27 February 2004. The service agreement, which became effective on 10 March 2004 provides that Mr Wilmot shall serve CCL and the Company as Chief Financial Officer. Mr Wilmot commenced employment at CCL on 1 December 1998.

Mr Wilmot is entitled to receive a fixed annual salary of £172,293 (which is subject to an annual review by the Remuneration Committee).

In respect of the period from 1 July 2004 an annual bonus of up to a maximum of 50 per cent. of salary will be payable at the discretion of the Remuneration Committee (the bonus to be on such terms and subject to such conditions as the Remuneration Committee may impose).

An annual car allowance of £19,000 is payable to Mr Wilmot and reasonable expenses only are reimbursed (but not personal legal expenses). Centaur will make annual contributions of a sum equal to 17.5 per cent. of his fixed annual salary into a personal pension scheme to be nominated by him and he is provided with life assurance, permanent health insurance, and private health insurance subject to the rules of the relevant schemes.

The service agreement is terminable by either Geoffrey Wilmot or CCL on not less than 12 months' prior written notice and CCL has the right to place him on garden leave following the giving of notice by either party. The service agreement shall, in any event, terminate on the date on which Geoffrey Wilmot reaches the age of 65. He has undertaken not to solicit certain senior staff, key customers, or key suppliers for six months after termination of employment.

(b) ***Non-executive Directors' letters of appointment***

Patrick Taylor, Colin Morrison and Thomas Scruby

Under the terms of their appointments as Non-executive Directors of the Company dated 27 February 2004 Messrs Taylor, Morrison and Scruby are entitled to an annual fee of £30,000, plus reasonable expenses and an annual fee of £10,000 in respect of their membership of the Remuneration Committee and Audit Committee (£5,000 for each). It should be noted that Thomas Scruby has provided services to a company within the Group since a date prior to 27 February 2004. Thomas Scruby was a director of CCL from 13 April 1989 to 10 November 2004.

Each receives a further fee of £1,500 per complete working day in respect of any period during which, as formally agreed in writing by the Board, their time commitment as Non-executive Director of the Company is significantly longer than that currently envisaged under the terms of their appointment, as a result of, for example, a restructuring of the Group or a major transaction to which it is proposed that the Company is party.

The appointments are for an initial term of three years unless and until terminated by either party by one month's notice in writing.

(c) ***Other Agreements or Commissions***

Save as set out in paragraphs 7(a) and (b) above, there are no existing or proposed service agreements between the Directors and any member of the Group. Furthermore, save as set out at paragraph 7(a) and (b) above and the share incentive arrangements described in paragraph 4 above there are no entitlements to commissions, profit sharing arrangements or any other specific compensation payments under the Executive Directors' service agreements or under the Non-executive Directors' letters of appointment.

(d) ***Aggregate Remuneration***

In the financial year ended 30 June 2004 total aggregate of the remuneration paid and benefits in kind granted to the Directors by any member of the Group was £976,927. The aggregate remuneration payable by any member of the Group (including bonuses and benefits in kind) to the Directors in respect of the current financial year ending 30 June 2005 under the arrangements in force is expected to amount to approximately £900,000.

(e) ***Waiver of Emoluments***

There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

8. Subsidiaries and investments

The Company is the holding company for the Group and has the following subsidiaries which, except as otherwise stated below, are wholly owned:

Name	*Principal Activity*
Ascent Publishing Limited	Magazine Publishing
Centaur Communications Limited	Holding Company
Centaur Publishing Limited	Dormant
Chiron Communications Limited	Magazine Publishing
Compuvest Limited	Dormant
Hali Publications Limited	Magazine Publishing
I.F.A. Events Limited	Exhibition Organising
Key Market Research Limited	Dormant
Market Access Data Limited	Dormant
Market Research Exhibitions Limited	Exhibition Organising
Marketing & Media Conferences Limited	Dormant
Marketing Week Communications Limited	Dormant
Marktab plc	Dormant
Mayfield Publishing Limited	Dormant
MCP (Publishing) Limited	Dormant
Media Magazines Limited	Dormant
Moorgate Nominees Limited	Dormant
Oguz Press Limited	Dormant
Perfect Information Inc.	Financial Information Services
Perfect Information Limited	Financial Information Services*
Process Communications Limited	Dormant
Spicers Centre For Europe Limited	Dormant
Sporting Events Publishers Limited	Dormant
Synergy Real Time Systems Limited	Online Analytical Solutions
Synergy Software Limited	Online Analytical Solutions
Synergy Software Solutions (Asia) Limited	Dormant
Synergy Software Solutions Limited	Online Analytical Solutions
Synsoft Group Limited	Dormant
Yelbric Limited	Dormant
Your Business Magazine Limited	Dormant

*Lee Hemmings holds 691 ordinary shares in the capital of Perfect Information Limited representing 0.01 per cent. of its fully diluted share capital. There are also currently 429,990 outstanding options over shares in Perfect Information, representing approximately 5.4 per cent. of the fully diluted share capital of the company on exercise in full. Additional options will be granted to five key managers of Perfect Information as described in paragraph 13 of Part 1.

All of the subsidiaries of the Company have their registered office at St Giles House, 50 Poland Street, London W1F 7AX, save for Perfect Information Inc. (registered office: 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, State of Delaware, USA) and Synergy Software Solution (Asia) Limited (registered office: 39th Floor, One Pacific Place, Admiralty, Hong Kong).

In addition, CCL has investments in 34 per cent. of the ordinary share capital of IPE International Publishers Limited, a specialist pensions magazine publisher and a minority interest in Linguaphone Group Limited, a provider of English and other language courses. Linguaphone Group Limited was demerged from the Centaur Group in 1997. Moorgate Nominees Limited holds shares in many public companies for the purposes of obtaining information for Perfect Information.

9. Principal establishments

(a) The Company's head office and principal place of business is at St Giles House, 50 Poland Street, London W1F 7AX.

(b) The principal establishments of the Group are as follows:

Company	*Location*	*Approx Area (Sq.ft)*	*Tenure*	*Lease expiry date*
CCL	Poland Street, London	26,450	Lease	Sept 2011
CCL	Lexington Street, London	14,999	Lease	March 2019
CCL	Wells Street, London	29,950	Lease	Sept 2014
Ascent Publishing	Bromsgrove, Worcestershire	5,500	Lease	Feb 2008
Ascent Publishing	Bromsgrove Worcestershire	2,350	Lease	Feb 2008

10. Pensions

Centaur and its subsidiaries operate three pension arrangements:

(a) the Centaur Communications Limited Stakeholder Pension Plan (the "CCL Stakeholder") which is a stakeholder pension scheme open to employees of CCL;

(b) the Synergy Personal Pension Plan (the "Synergy Plan") which is a stakeholder pension scheme which is open to employees of Synergy; and

(c) the Centaur Communications Limited 1995 Retirement Benefits Scheme (the "1995 Scheme"), an occupational money purchase (defined contribution) arrangement which is closed to new entrants.

CCL and Synergy also make payments to the personal pension schemes of certain executives (the "Executive Arrangements").

(a) ***The Centaur Communications Limited Stakeholder Pension Plan***

The CCL Stakeholder is provided through Norwich Union as CCL's designated stakeholder scheme. Employees of the Group are eligible to join the CCL Stakeholder after completing three months' service with their employer.

The CCL Stakeholder has 207 active members. The Group does not make contributions in respect of employees until they have been in service for at least 12 months. Then, the Group makes contributions at the rate of £10 per month gross for those members who have been in service with the Group for at least 12 months and who make employee contributions of at least £20 per month gross. In respect of those active members who have been in service with the Group for at least two years, then provided the member makes employee contributions of 3 per cent. of his pensionable salary, the Group contributes between 5 per cent. and 13 per cent. of his pensionable salary (based on the seniority of the employee).

(b) ***The Synergy Personal Pension Plan***

The Synergy Plan is provided through Friends Provident as Synergy's designated stakeholder scheme. Employees of Synergy are eligible to join the Synergy Plan after completing six months' service with Synergy, at which stage, if an employee elects to join, his contributions are backdated three months.

The employee makes contributions at his own choice. Until the employee has been in service with Synergy for two years, Synergy will match employee contributions up to 4 per cent. of pensionable salary. After that stage, Synergy will match employee contributions up to 5 per cent. of pensionable salary.

(c) ***The Centaur Communications Limited 1995 Retirement Benefits Scheme***

The 1995 Scheme is an occupational money purchase scheme which was established with effect from 28 January 1995. The 1995 Scheme is contracted into the state pension arrangements. The 1995 Scheme is approved by the Inland Revenue under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988. The 1995 Scheme's assets are invested through Norwich Union, having been invested through National Mutual Life previously. CCL is the only employer participating in the 1995 Scheme.

There are six active members and five deferred members of the 1995 Scheme. As at November 2004, employee contributions were between 3 per cent. and 12 per cent. of pensionable salary with CCL contributing between 5 per cent. and 9 per cent. of pensionable salary to the 1995 Scheme.

(d) ***Executive Arrangements***

Both CCL and Synergy make contributions on behalf of executives into their personal pension arrangements. CCL makes monthly contributions in respect of two individuals of £2,675.80 and £1,166.67 per month

Synergy makes monthly contributions in respect of one individual of £500 per month.

11. United Kingdom taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of the UK Inland Revenue (the "Inland Revenue") and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident and ordinarily resident in the UK for UK tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (other than under a personal equity plan or individual savings account or as "employment related securities" as defined in section 421B(8) of the Income Tax (Earnings and Pensions) Act 2003). **Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult his or her professional advisers immediately.**

(a) ***Dividends***

Under UK tax legislation the Company is not required to withhold tax at source from dividend payments it makes.

Individual shareholders resident for tax purposes in the UK should generally be entitled to a tax credit in respect of any dividend received equal to one-ninth of the amount of the dividend.

An individual shareholder's liability to income tax will be calculated on the sum of the dividend and the tax credit (the "gross dividend"). This will be regarded as the top slice of the individual's income and will be subject to UK income tax at the rates as described below.

The tax credit equals 10 per cent. of the gross dividend. The tax credit will be available to set against a shareholder's liability (if any) to income tax on the gross dividend.

Individual shareholders liable to income tax at no more than the basic rate will be liable to income tax on dividend income received at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full the individual shareholder's liability to pay income tax on the dividend received.

The rate of income tax applying to dividends received by a UK resident individual shareholder liable to income tax at the higher rate will be 32.5 per cent. of the gross dividend. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will be liable to income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the cash dividend received.

For example, an individual shareholder receiving a dividend of £90 would receive a tax credit of £10. The gross dividend (the cash dividend plus the tax credit) would be £100. If the shareholder is a higher rate taxpayer, he would be taxed on the dividend at £32.50 (32.5 per cent. of £100), but can set against this the tax credit of £10. This leaves tax to pay of £22.50, which is 25 per cent. of the £90 dividend received.

Individual shareholders who are resident in the UK cannot claim payment of the tax credit from the Inland Revenue, even if the tax credit exceeds the liability of the shareholders to pay income tax on the dividend in question.

Trustees who are liable to income tax at the rate applicable to trusts (currently 40 per cent.) will pay tax on the gross dividend at the Schedule F trust rate (currently 32.5 per cent.) against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax the trustees will have no right to claim repayment of the tax credit.

A corporate shareholder which is resident for tax purposes in the UK and which is not a dealer in securities will not normally be liable to corporation tax on any dividends received, but cannot claim payment of the tax credit from the Inland Revenue.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but they are not entitled to claim repayment of the tax credit.

Individual shareholders who are resident for tax purposes in countries other than the UK but who are Commonwealth citizens, nationals of states which are part of the European Economic Area, residents of the Isle of Man or the Channel Islands, or certain other persons are entitled to a tax credit as if they were resident for tax purposes in the UK which they may set off against their total UK income tax liability. Such shareholders will generally not be able to claim payment of the tax credit from the Inland Revenue.

(b) ***Chargeable gains***

Shareholders who are resident or ordinarily resident in the UK for tax purposes and who dispose of their Ordinary Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs.

Shareholders who are not resident or ordinarily resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Ordinary Shares, if those Ordinary Shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

If an individual shareholder ceases to be resident or ordinarily resident in the UK and subsequently disposes of Ordinary Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that shareholder becoming once again resident or ordinarily resident in the UK.

Under current UK legislation relating to CGT:

(i) an individual disposing of Ordinary Shares should be entitled to Business Asset Taper Relief ("BATR") if the Company is a trading company or the holding company of a trading group and if he is an officer or employee of the Company or he holds 5 per cent. or more of the voting rights of the Company. If the Company is a non trading company or a holding company of a non trading group, BATR should also be available if the individual is an officer or employee of the Company and does not have a material interest in the Company. For these purposes, an individual will have a material interest in the Company if certain conditions are met, including the holding of more than 10 per cent. of the voting rights of the Company. In the event that BATR is available in respect of any gains the effective rate of capital gains tax for a higher rate taxpayer may be as low as 10 per cent. where the shares have been held as business assets throughout the period of ownership and for at least two years. If BATR is not available, the effective rate of capital gains tax for a higher rate taxpayer may still be as low as

24 per cent. but the length of the period of ownership required to achieve this is significantly greater;

(ii) a company disposing of Ordinary Shares will usually be subject to corporation tax on any gains at the current rate of between 19 per cent. and 32.75 per cent., the former being the small companies' rate and the latter being the upper marginal rate (ignoring the starting rate of 0 per cent. for taxable profits up to £10,000).

(c) ***Stamp duty and stamp duty reserve tax ("SDRT")***

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT, or to persons connected with depositary arrangements or clearance services, who may be liable at a higher rate.

(i) The allocation and issue of the New Ordinary Shares will not generally give rise to a liability to stamp duty or SDRT.

(ii) Any subsequent conveyance or transfer on sale of Ordinary Shares will usually be subject to stamp duty at a rate of 0.5 per cent. of the amount or value of the consideration (rounded up, if necessary, to the nearest £5). A charge to SDRT at the rate of 0.5 per cent. may also arise on an unconditional agreement to transfer such shares, although the liability will be cancelled and any SDRT already paid will be repaid if, within six years of the SDRT liability arising, a transfer is executed pursuant to the agreement and stamp duty is paid on that transfer.

(iii) A transfer of Ordinary Shares into CREST will not generally give rise to a charge to stamp duty or SDRT unless the transfer is made for consideration, in which case SDRT will arise, usually at the rate of 0.5 per cent of the value of that consideration. A transfer of shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the value of the consideration given.

(d) ***Inheritance Tax***

Shares are assets situated in the UK for the purposes of UK inheritance tax. A gift of shares by, or the death of, an individual shareholder may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the shareholder is neither domiciled nor deemed to be domiciled in the UK.

12. Material contracts

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

(a) *The CCL Share Purchase Agreement*

By the Share Purchase Agreement dated 27 February 2004 and made between the Major Vendors and others (the "Vendors") (1) and the Company (2), the Company acquired all of the issued A, B and C ordinary shares in the issued share capital of CCL.

The Acquisition was completed on 10 March 2004 for an aggregate consideration of £110.4 million satisfied by the payment of £97,045,079 in cash, the issue of 13,382,570 Ordinary Shares to the Vendors.

£1,000,000 of the consideration was retained in an escrow account following completion of the Acquisition pending agreement of the level of net cash of CCL and its subsidiaries as at 1 March 2004. The full amount of the retention was paid to the Vendors.

The Company has the benefit of standard warranties given by the Vendors on a several basis in relation to their title to the shares sold by each of them under the Share Purchase Agreement and standard warranties given by the Major Vendors on a several basis in relation to the business and operations of CCL and its subsidiaries. The time limit for the Company to give notice of a claim for breach of the warranties (other than the taxation warranties) expires on 30 September 2005 and for the tax warranties and an indemnity in respect of certain contingent pension liabilities on 30 September 2010. Warranty claims are subject to certain limitations. The maximum aggregate claim which can be made by the Company for any warranty breaches under the Share Purchase Agreement and claims under the Tax Deed (described below) is £60 million for claims notified on or before 31 December 2004, reducing to £40 million for claims notified from 1 January 2005 until 30 September 2006, £35 million for claims notified in the period 1 October 2006 until 30 September 2008 and £30 million for claims notified from 1 October 2008 until 30 September 2010. Claims under the Share Purchase Agreement and the Tax Deed are subject to an excess of £1 million. Each Major Vendor is only liable for his or its *pro rata* proportionate value of any claim.

Graham Sherren has undertaken not to compete with the businesses of, solicit any significant customers of, or interfere with the continuance of suppliers, of the Group as at the date of the Acquisition in the United Kingdom, for a period of 24 months following the Acquisition.

(b) *The D Offer*

Due to the large number of holders of D ordinary shares, the Company acquired the D ordinary shares in CCL by way of a takeover offer rather than pursuant to a share sale agreement. A document setting out the terms of the D Offer and containing a recommendation from the board of directors of the Company to accept the D Offer was despatched to holders of D ordinary shares on 27 February 2004. The D Offer was made on the basis of £8.36 per D Share. The D Shareholders were offered the opportunity to receive consideration by the issue of Ordinary Shares in the Company on the basis of 8.632 Ordinary Shares for every D Share or alternatively by the issue of Loan Notes, as described in paragraph 12 (d) below. All of the D shareholders accepted the D Offer without the need for the Company to acquire any of the D ordinary shares pursuant to the provisions of the Companies Act. The D Offer was completed for an aggregate consideration of £33,104,474 satisfied by the payment of £27,159,625 in cash, the issue of 2,515,614 Ordinary Shares and the issue of £3,429,235 of Loan Notes.

(c) *Tax Deed*

The Company entered into a Tax Deed with the Major Vendors on 10 March 2004 which provided a mechanism for the Major Vendors to indemnify the Company in respect of certain standard pre-Acquisition tax liabilities and other tax-related liabilities of CCL and its subsidiaries. The Tax Deed requires the Major Vendors to indemnify the Company on a several basis for all tax arising prior to 30 June 2003 and for tax arising outside the ordinary course of business of CCL and its subsidiaries between 30 June 2003 and completion of the Acquisition.

The Major Vendors' obligations to indemnify the Company are subject to limitations and certain standard exclusions (for example if proper provision for the tax liability in question is contained in the audited accounts, no claim can be made as well) and there are other provisions which operate to regulate or adjust amounts payable by the Major Vendors under the Tax Deed. Each Major Vendor is only liable for his or its *pro rata* proportionate value of any claim under the Tax Deed.

(d) *Loan Notes*

On 17 March 2004, the Company issued £3,429,235 of Loan Notes pursuant to a Loan Note instrument constituting variable rate guaranteed unsecured loan notes 2011 executed by the Company on such date. The National Westminster Bank PLC has guaranteed the amount of the principal but not interest on each Loan Note to a maximum amount equal to 100 per cent. of its principal amount outstanding. The rate of interest on the Loan Notes for each six month period commencing on either 1 July or 1 January will be 0.75 per cent. below the London Inter-Bank Offer Rate for the relevant period. Unless previously redeemed or purchased, the Loan Notes will be redeemed in full at par on 31 March 2011 (the "Final Repayment Date") together with accrued interest (less any tax which the Company is required by law to deduct or withhold from such payment) up to (but excluding) such date. The Loan Notes will be redeemable at the option of each Loan Noteholder on 31 December 2004 and thereafter on 30 June and 31 December in each year up to the Final Repayment Date by giving not less than 30 days' notice. The Company will have the right to redeem all outstanding Loan Notes if the aggregate principal amount of Loan Notes outstanding is equal to or is less than 10 per cent. in nominal value of the Loan Notes originally issued. The Directors have no intention to seek a listing for the Loan Notes.

(e) *The Placing Agreement*

By the Placing Agreement dated 27 February 2004 Numis agreed to procure placees to subscribe for 131,895,934 Ordinary Shares in each case at the Placing Price (the "Placing Shares"), failing which Numis would subscribe for such shares itself.

Under the Placing Agreement:

(A) the Company agreed to pay Numis in its role as nominated adviser to the Company and as underwriter on the Placing a commission of 4 per cent. of the aggregate value of the Placing Shares at the Placing Price, plus a corporate finance fee of £1.5 million (plus VAT);

(B) the Company agreed to pay all other costs and expenses of the Placing and the Acquisition and the related arrangements together with value added tax on such costs; and

(C) the Company and each of Graham Sherren, Geoffrey Wilmott and Thomas Scruby gave certain standard warranties to Numis as to the accuracy of the information in the AIM Admission Document and as to other matters relating to the Group and its business.

The Placing Agreement also contained an indemnity from the Company to Numis for itself and as agent or trustee for associated companies, directors, partners, officers and employees in respect of certain liabilities arising out of or in connection with the carrying out by Numis of its obligations in connection with or by reason of the issue of the Placing Shares.

The Directors undertook in the Placing Agreement not to dispose of any of their Ordinary Shares (or any interest therein) acquired immediately after the Placing (being 7,337,733 Ordinary Shares, in aggregate) for a period of 12 months from the date of the Placing Agreement. The lock-in arrangements will not be affected by Admission.

These lock-in arrangements do not apply in certain standard limited circumstances, including an acceptance of a general offer for the share capital of the Company made in accordance with the City Code on Takeovers and Mergers which has been recommended by the Directors or has become unconditional as to acceptances or the Directors ceasing to be directors of the Company.

(f) *Nominated Adviser and Broker Agreement*

A Nominated Adviser and Broker Agreement dated 27 February 2004 and made between the Company and Numis pursuant to which the Company appointed Numis to act as nominated adviser and broker to the Company for the purposes of AIM. The appointment is for an initial period of 24 months from AIM Admission and continued thereafter subject to three months' notice of termination. The Company agreed to pay Numis an annual fee of £50,000 for its services under the Nominated Adviser and Broker Agreement. The Nominated Adviser and Broker Agreement contains certain standard undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable laws and regulations and obliges the Company to provide Numis with certain information whilst it remains the Company's nominated adviser and broker. The Nominated Adviser and Broker Agreement will be terminated upon Admission with no outstanding liability attaching to either party.

(g) *Lawtel Share Purchase Agreement*

The share purchase agreement dated 1 August 2002, pursuant to which Your Business Magazines Limited and CCL (the "Sellers") disposed of the entire issued share capital of Lawtel Limited ("Lawtel") and Consultancy Europe Associates Limited ("CEAL") respectively to Thomson Legal & Regulatory Europe Limited (the "Purchaser") for an aggregate consideration of £22,200,739, less £125,000 in respect of estimated liabilities and subject to a pound for pound adjustment in respect of estimated liabilities of Lawtel and 94 per cent. unpaid subscriptions of Lawtel. £1,450,000 of the aggregate consideration was deferred, conditional on the Sellers ensuring that Lawtel and CEAL's audited accounts for the year ended 30 June 2002 were properly prepared and finalised. £617,000 of this deferred consideration was paid in August 2003 and £417,000 was paid in August 2004 and the remaining £416,000 is due to be paid in August 2005.

The Sellers are obligated, until 1 August 2005, to grant the Purchaser, Lawtel or CEAL:

(i) the right of first refusal to be the exclusive sponsor for up to 50 per cent. of the specific practice zones which form part of the thelawyer.com web site (or any other web site hosting The Lawyer) ("Zones") for which Group companies are offering exclusive sponsorship rights; and

(ii) the option to appear as lead or joint sponsor for up to 50 per cent. of any Zones for which they are offering non-exclusive sponsorship rights.

Centaur and its subsidiaries are subject to comprehensive non-compete covenants until 1 August 2005. The Sellers are liable under the warranties until 1 August 2009 in respect of tax claims. The limitation period for non tax claims expired on 1 August 2004. The Sellers' aggregate liability under the warranties was capped at £15,572,500, except where a claim includes a claim against the warranty that all cash in the possession of Lawtel at completion was the property of Lawtel and free from encumbrance, for which liability was capped at £22,234,046.

(h) *Synergy Share Purchase Agreement*

The share purchase agreement dated 21 July 2003, pursuant to which Perfect Information acquired the entire issued share capital of Synergy from certain individuals (the "Synergy Sellers") for an aggregate consideration of £980,423 (subject to a net asset valuation adjustment) together with an earn-out, payable between 2005 and 2007. Perfect Information acquired 10 per cent. of the share capital on 21 July 2003 and, following the satisfaction of certain conditions, the remaining 90 per cent. on 23 October 2003. Perfect Information's obligation to pay the earn-out consideration, to be satisfied by the issue of loan notes, is triggered by the Synergy Sellers serving notice within 2 months of the signing of Synergy's audited accounts for any of the years ending June 2005, 2006 and 2007. The earn-out value is the amount equal to 50 per cent. of Synergy's operating profits over the preceding two years multiplied by 6, 4 or 2.5 depending upon whether the Synergy Sellers serve notice in 2005, 2006 or 2007.

(i) *The Sponsor's Agreement*

On 14 December 2004 the Company and Numis entered into the Sponsor's Agreement pursuant to which the Company has agreed to appoint Numis as sponsor to the Company in connection with Admission. Under the Sponsor's Agreement Numis will receive (exclusive of VAT) a corporate finance fee of £200,000 plus its expenses and all other expenses incidental to Admission. The Sponsor's Agreement also includes certain standard warranties and indemnities given by the Company to Numis.

Numis may terminate the Sponsor's Agreement in specified circumstances, including for breach of warranty at any time prior to Admission and in the event of *force majeure* at any time prior to Admission.

(j) On 10 June 2004, CCL entered into a business sale agreement (the "Agreement") with Retail Visual Merchandising Limited (the "Seller") and Andrew Colclough (the "Guarantor") pursuant to which CCL acquired the entire business and assets of the Seller relating to the International Display Week Exhibition (the "IDW Exhibition") for an initial consideration of £120,000 and deferred consideration of up to £66,000. The deferred consideration shall be paid to the Seller on 15 April 2005, subject to a pound for pound reduction equal to the value of any order for the 2005 IDW Exhibition that is cancelled due to any action or inaction of the Guarantor, the Seller or any employee of the Seller or the withdrawal from the exhibition of potential exhibitors due to the change of date on which the 2005 IDW Exhibition is to be held. The Agreement contains certain standard warranties provided by the Seller to CCL the performance of which have been guaranteed by the Guarantor.

The Seller and the Guarantor have undertaken for a period of 24 months from 10 June 2004 not to be involved with any exhibitions which are in competition with the IDW Exhibition.

13. Working capital

The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

14. Litigation and arbitration

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the twelve months preceding the date of this document, a significant effect on the Group's financial position.

15. Employees

The average number of employees of the Group in the last three financial years was:

2002	849
2003	735
2004	750

16. General

(a) Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this document and to the inclusion of its name and report and the references therto in the form and context in which they appear and has authorised those parts of this document which comprise report and the said references for the purpose of Regulation 6(1)(e) of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001.

(b) Numis, which is authorised and regulated by the Financial Services Authority, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which it is included.

(c) PricewaterhouseCoopers LLP, chartered accountants and registered auditors, of 1 Embankment Place, London WC2N 6RH, has audited the Centaur consolidated statutory accounts for the financial year ended 30 June 2004 and the consolidated statutory accounts of CCL and its subsidiaries for the financial years ended 30 June 2002 and 30 June 2003 in accordance with UK auditing standards. All such accounts were unqualified.

(d) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

(e) Other than the current application for Admission, upon Admission the Ordinary Shares will not be admitted to dealing on any other regulated, regularly operating, recognised open markets.

(f) Except in relation to the Acquisition, details of which are set out in Part 1 of this document, there have been no interruptions in the business of the Group which may have or have had a significant effect on the financial position of the Group in the 12 months preceding the date of this document.

(g) The expenses of and incidental to Admission including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses and commissions which are payable by the Company are estimated to amount to approximately £400,000 (excluding Value Added Tax).

(h) Save for the Acquisition, there have been no investments made in other undertakings by members of the Group in the last three financial years and during the period 1 July 2004 to 13 December 2004 (being the latest practicable date prior to the publication of this document).

(i) The Directors are not aware of any patents or other intellectual property rights, licences or particular contract which are or may be of fundamental importance to the Group's business.

(j) There has been no significant change in the trading or financial position of the Group since 30 June 2004, being the date to which the financial information contained in the Accountant's Report set out in Part 4 of this document was prepared.

(k) The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

17. Documents on display

Copies of the following documents may be inspected at the offices of Numis Securities Limited, Cheapside House, 138 Cheapside, London EC2V 6LH and at the offices of the Company, St Giles House, 30 Poland Street, London W1F 7AX during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including 17 January 2005 being the date one month following Admission:

(a) the existing memorandum and articles of association of the Company;

(b) the Accountants' Report set out in Part 3 of this document;

(c) the audited consolidated accounts of CCL for the two financial years ended 30 June 2002 and 30 June 2003 and for the Company for the financial year ended 30 June 2004;

(d) a statement of adjustments prepared by Ernst & Young LLP for the Group;

(e) the Directors service agreements and letters of appointment referred to in paragraph 7 above;

(f) the material contracts referred to in paragraph 12 above;

(g) the consent letters referred to in paragraphs 16(b) and 16(c) above;

(h) the deed poll executed on 28 March 2001 by CCL referred to in paragraph 4 above; and

(i) this document.

Dated: 14 December 2004

DEFINITIONS

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

"Acquisition"	the acquisition of all of the issued A, B and C ordinary shares of £0.10 each in CCL by the Company which became effective on 10 March 2004
"Admission"	admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchanges market for listed securities
"adjusted EBITDA"	earnings before interest, tax, depreciation and amortisation excluding exceptional administrative expenses and goodwill impairment
"AIM"	the Alternative Investment Market of the London Stock Exchange
"AIM Admission"	admission of the ordinary share capital of the Company to AIM, effective on 10 March 2004, pursuant to an admission document dated 27 February 2004
"Board"	the board of directors of the Company for the time being
"CCL"	Centaur Communications Limited
"Centaur" or "the Company"	Centaur Holdings plc
"Combined Code"	the revised combined code on the principles of good governance and code of best practice, published in July 2003 as appended to, but not forming part of, the Listing Rules of the UK Listing Authority
"Companies Act"	the Companies Act 1985, as amended
"CREST"	the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title or shares in uncertified form operated by CrestCo Limited
"Deferred Shares"	deferred shares of £0.10 each in the capital of the Company
"Directors"	the directors of the Company whose names are set out on page 3 of this document, and "Director" means any one of them
"D Offer"	the takeover offer by the Company to acquire the D Shares in CCL contained in an offer document despatched to D Shareholders on 27 February 2004 details of which are set out in paragraph 12 of Part 4 of this document
"D Shareholder"	a holder of D Shares
"D Shares"	the "D" ordinary shares of £0.10 each in the capital of CCL
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EBTA"	earnings before tax and amortisation
the "Group" or "Centaur Group"	Centaur and its subsidiaries
"Loan Notes"	the unsecured guaranteed loan notes due 2011 with a nominal value of £1.00, further details of which are set out in paragraph 12(d) of Part 4 of this document
"London Stock Exchange"	London Stock Exchange plc
"Major Vendors"	Graham Sherren, Griffin Land & Nurseries Inc and VS&A Communication Partners II, LP

"Model Code"	the model code on dealing in securities as defined in the Listing Rules of the UK Listing Authority
"Numis"	Numis Securities Limited
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of £0.10 each in the share capital of the Company
"Perfect Information" or "PI"	Perfect Information Limited
"PIL Scheme"	the Perfect Information Limited Share Option Scheme
"Placing"	the placing of 131,895,934 Ordinary Shares by Numis pursuant to the Placing Agreement in connection with the AIM Admission
"Placing Agreement"	the agreement dated 27 February 2004 between Numis, the Directors and the Company details of which are set out in paragraph 12 of Part 4 of this document in connection with the Placing
"Placing Price"	£1.00 per Ordinary Share, being the price for an Ordinary Share issued pursuant to the Placing
"Reporting Accountants"	Ernst & Young LLP
"Rollover Scheme"	a share option scheme established by the Company on substantially the same terms as the Centaur Communications Limited Unapproved Share Option Scheme
"SDRT"	stamp duty reserve tax
"Shareholders"	holders of Ordinary Shares
"Share Option Scheme"	the Centaur Holdings plc Executive Share Option Plan 2004, details of which are set out in paragraph 4 of Part 4 of this document
"Share Purchase Agreement"	the share purchase agreement dated 27 February 2004 between the Company, the Major Vendors and certain other persons relating to the Acquisition, further details of which are set out in paragraph 12 of Part 4 of this document
"Sponsor's Agreement'	the agreement dated 14 December 2004 between Numis and the Company details of which are set out in paragraph 12 of Part 4 of this document
"Synergy"	Synergy Software Solutions Limited, a subsidiary of Centaur
"subsidiary"	as defined in sections 736 and 736A of the Act
"Tax Deed"	the tax deed dated 10 March 2004 and made between the Company and the Major Vendors details of which are set out in paragraph 12 of Part 4 of this document
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for purposes of Part IV of the Financial Services and Markets Act 2000

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