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

This document, which constitutes a prospectus, has been drawn up in accordance with the AIM Rules and the Public Offers of Securities Regulations 1995 (as amended). A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration under paragraph 4(2) of those Regulations. The Directors and Proposed Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Proposed 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 will be made for all of the Ordinary Shares of the Company in issue and to be issued to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which higher investment risk tends to be attached than to larger or more established companies. The Ordinary Shares are not traded on any other recognised investment exchange and no application is being or has been made for the Ordinary Shares to be admitted to any such exchange. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

The rules of AIM are less demanding than those which apply to securities admitted to trading on the Official List of the UK Listing Authority. Prospective investors should read the whole text of this document and should be aware that an investment in the Company is speculative and involves a degree of risk. In particular, prospective investors should consider the section entitled "Risk Factors" set out in Part 2 of this document. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence on AIM on 10 March 2004.

Centaur Holdings plc

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

Placing of up to 134,175,073 Ordinary Shares of 10p each at 100p per share

and

Admission to trading on the Alternative Investment Market

Nominated Adviser and Broker

NUMIS SECURITIES LIMITED

Ordinary Share Capital

(immediately following admission to trading on AIM)

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

* Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full and the maximum number of Ordinary Shares are issued in connection with the D Offer.

The Placing is conditional, *inter alia*, on Admission taking place on or before 10 March 2004 (or such later date as the Company and Numis Securities Limited ("Numis") may agree, being not later than 1 April 2004). The New Ordinary Shares will, following allotment, rank in full for all dividends and other distributions declared on Ordinary Shares after Admission and otherwise *pari passu* in all respects with the existing Ordinary Shares in issue.

The New Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933 (as amended) or under any applicable securities laws of Australia, the Republic of Ireland, the Republic of South Africa, Canada or Japan. The New Ordinary Shares may not be offered or sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. This document must not be mailed or otherwise distributed or sent to or into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any of the New Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

Numis is authorised and regulated by the Financial Services Authority and is acting exclusively as nominated adviser and broker for the Company and no-one else in connection with the Placing and 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 or any acquisition of Ordinary Shares. 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) and Numis has not authorised the contents of any part of this document for the purposes of regulation 13(1)(g) of the POS Regulations.

In accordance with the AIM Rules, Numis has confirmed to the London Stock Exchange that it has satisfied itself that the Directors and Proposed Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief having made due and careful enquiry, all relevant requirements of the AIM Rules (save for this document's compliance with Regulation 9 of the POS Regulations) have been complied with. No liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

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 for a period of one month from Admission.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission effective and dealings commence on AIM	8.00 a.m. on 10 March 2004
CREST accounts credited	10 March 2004
Despatch of definitive share certificates	17 March 2004

Please note that each of the dates in the above timetable is subject to change.

PLACING STATISTICS

Placing Price per New Ordinary Share	100p
Maximum number of Ordinary Shares which may be placed pursuant to the Placing	134,175,073
Number of Ordinary Shares in issue immediately following Admission	147,994,118*
Market capitalisation at the Placing Price	£147,994,118*

*Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full and the maximum number of Ordinary Shares are issued in connection with the D Offer.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors

John Patrick Enfield Taylor	*(Non-executive Director)*
Colin Morrison	*(Non-executive Director)*

Proposed Directors

Graham Veere Sherren	*(Chairman and Chief Executive Officer)*
Geoffrey Tristan Descarriers Wilmot	*(Chief Financial Officer)*
Basil Thomas Richard Scruby	*(Non-executive Director)*

Registered Office

St. Giles House
50 Poland Street
London W1F 7AX

Company Secretary

Ian Roberts

Nominated Adviser and Broker

Numis Securities Limited
Cheapside House
138 Cheapside
London EC2V 6LH

Solicitors to the Company and to the Placing

Travers Smith Braithwaite
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

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

The Company was recently incorporated for the purpose of acquiring the entire issued ordinary share capital of Centaur, one of the leading privately-owned business magazine publishers in the UK. Centaur's portfolio of 25 magazines includes titles in seven important sectors of the business community (marketing, financial services, creative services, legal services, new media, construction and engineering). The Directors and the Proposed Directors believe that many of these titles are, or are amongst, the market leaders within their targeted sectors.

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.

2. The Acquisition

The process leading up to the Acquisition and D Offer began in December 2003 when the Major Vendors invited various bidders to take part in an auction process for Centaur. Through this auction process the Company was granted preferred bidder status, the Major Vendors agreeing to negotiate with the Company on an exclusive basis.

Pursuant to the Share Purchase Agreement, the Company has agreed, conditional, *inter alia*, on Admission, to acquire all of the issued A, B and C ordinary shares of Centaur. The remaining 24.16 per cent. of the fully diluted share capital of Centaur is represented by D Shares and Centaur Options. Due to the number of holders of D Shares, the Company has made a separate offer to acquire the D Shares (on the same financial terms as the Acquisition). The D Offer is conditional on acceptances of the D Offer by shareholders holding not less than 90 per cent. of the D Shares to which the D Offer relates (or such lesser percentage as Centaur Holdings shall decide) and on the Share Purchase Agreement becoming unconditional (except for any condition relating to the D Offer or Admission). The Company has obtained irrevocable undertakings to accept the D Offer from shareholders holding in aggregate 97.5 per cent. of the existing D Shares (or 55.5 per cent. of D Shares on a fully diluted basis[1]). The Acquisition is conditional upon the D Offer becoming or being declared unconditional. Admission will not occur until the D Offer has been declared unconditional.

The Company has made a proposal to existing holders of Centaur Options over D Shares informing them of the D Offer and advising them that they may now exercise their Centaur Options. The D Offer includes D Shares issued as a result of such exercise of the Centaur Options and the holders of such D Shares (the "New D Shareholders") will therefore be able to accept the D Offer.

The consideration under the Share Purchase Agreement for the Acquisition is to be satisfied by the payment of £97,045,079 in cash and the issue of 13,386,661 Ordinary Shares. The maximum consideration under the D Offer is £32,799,151[2] to be satisfied by a mixture of cash and the issue of Ordinary Shares and Loan Notes, at the election of holders of D Shares. The cash element of the consideration and the obligations under the Loan Notes will be funded out of the cash proceeds of the Placing. In addition, Centaur Options may be cancelled in consideration for the grant of new options over Ordinary Shares under the Rollover Scheme as described in paragraph 15 of this Part 1. To the extent that holders of D Shares (whether existing holders or New D Shareholders) elect for the D Offer Share Alternative or holders of Centaur Options elect to receive options under the Rollover Scheme, the required cash consideration for the D Offer will be less and the number of Ordinary Shares placed to fund such cash consideration may be scaled back.

1 Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full.

2 Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full and the maximum number of Ordinary Shares are issued in connection with the D Offer.

3. Overview of the business

Since it was founded in 1982, Centaur's publishing business has predominantly grown organically through magazine launches and brand extensions. Today, Centaur's principal brands are *Marketing Week, Money Marketing, Precision Marketing, Creative Review, Design Week, The Lawyer*, *New Media Age* and *Homebuilding & Renovating*. Together, these titles accounted for approximately 40 per cent. of the Group's revenue for the year ended 30 June 2003.

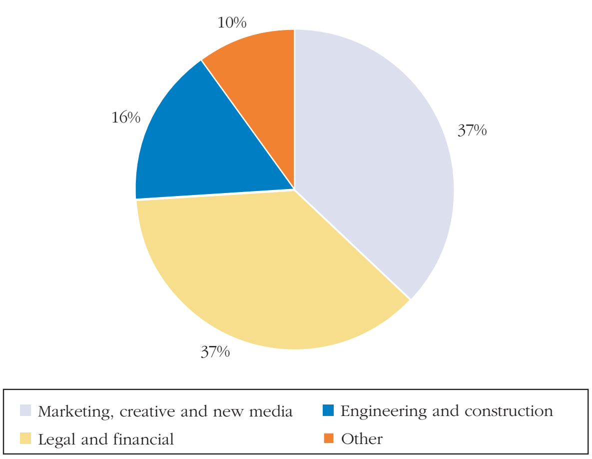
In 1994 Centaur acquired an interest in Perfect Information at a relatively early stage in its development. In the year ended 30 June 2003 it accounted for less than a tenth of the Group's revenues but produced over 15 per cent. of the Group's EBITDA.

The table below illustrates the range of Centaur's products in each of its divisions for the year to 30 June 2003:

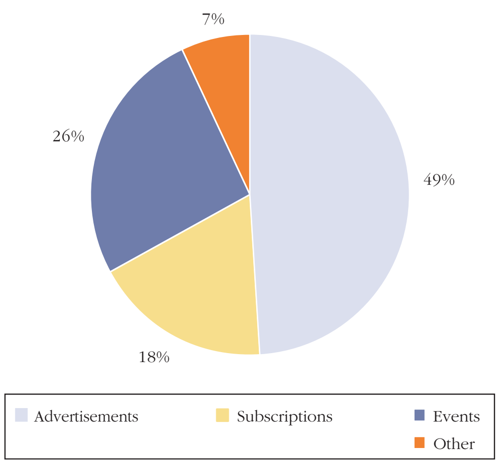
	Marketing	*Financial*	*Creative*	*Legal*	*New Media*	*Construction*	*Engineering*	*Other*	*Total*
Weekly magazine	2	3	1	1	1				8
Fortnightly magazine							1		1
Monthly magazine	1	4	2			2	3		12
Bi monthly magazine						1		1	2
Quarterly magazine		1		1					2
Newsletter	1							1	2
Exhibitions	3	3				5		6	17
Conferences	53	1					6	3	63
Awards/Events	3	5	2	2	6	1		2	21
Annuals/Books	6	1	7	1		1	1		17
Online services	1	5	1	1	1	4	2	2	17

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. The following charts illustrate the sources of revenue for the Group for the year to 30 June 2003.

By Community



By Source



4. 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 intimate market information which the Directors and Proposed 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 to date of this strategy of building on existing brand strength 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. 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. Its aim is to expand into what the Directors and the Proposed Directors believe to be the potentially lucrative US market and to grow its product offering.

5. 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.

6. Operations

As described in the table on page 6, the Centaur Group's portfolio in the year ended 30 June 2003 included the following products:

- Eight weekly magazines, one fortnightly magazine, 12 monthly magazines, four quarterly or bi-monthly magazines and two monthly newsletters;
- 17 exhibitions, 1 programme of roadshow events, 63 conferences and 21 awards or sponsored events;
- 17 annuals; and
- 17 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.

In the year to 30 June 2003 the Group derived almost half of its revenue from advertising and over a quarter of its revenue from exhibitions, conferences, awards and other events.

Of its magazines, the Group's top magazines (*Marketing Week, Precision Marketing, Design Week, Creative Review, Money Marketing, The Lawyer, Homebuilding & Renovating* and *New Media Age*) account for approximately 40 per cent. of Group revenue and have been largely responsible for the cyclical fluctuations in Centaur's revenue.

The Company considers new product development to be of vital importance and approximately 20 per cent. of the Group's revenue for the year to 30 June 2003 derived from products created in the last five years.

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

(i) Marketing

Centaur earns more revenue from the marketing community than any of the other communities it serves. Its publications 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 British Business Survey 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. In recent months, there has been evidence that advertising spend is increasing. This is supported by the Bellwether Report for the fourth quarter of 2003 which the Institute of Practitioners in Advertising concluded showed the most optimistic outlook for advertising expenditure since the survey began in 2000.

Products

Marketing Week was launched in 1978 and has become 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 (source: ABC Report: July 2002–June 2003). 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 53 Centaur conferences were organised for this sector in the year to 30 June 2003. Centaur Exhibitions and Centaur Conferences are discussed further at paragraphs 6(ix) and (x) below.

(ii) Financial Services

Centaur's products targeted at financial services and human resources ("HR") are Centaur's second largest revenue generator. Its publications 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.

This division is 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. Regulatory and tax changes (such as the changes proposed to pensions in 2005) can also drive advertising activity, even in a generally negative economic environment.

The publishing market serving the financial products industry has at least 14 regular titles. Of these titles, seven are published weekly and two fortnightly. With three weekly titles in the sector, Centaur is positioned as one of the leading publishers in terms of weekly display advertising pagination. As Centaur's relatively new weekly titles *Fund Strategy* and *Mortgage Strategy* mature, the Directors and the Proposed Directors believe that its position in this sector will strengthen. All the titles in this division operate a policy of predominantly controlled circulation.

In total Centaur operates five annual events and five websites targeted at this community. Each magazine title provides a platform for related events and products. 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*, a series of exhibitions and a sister title, *International Money Marketing*, serving the offshore market.

Products

Money Marketing was launched in 1985 as a weekly controlled circulation publication for the then newly defined community of 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.

(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.

Products

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 was launched in 1980 and is a paid-for monthly magazine for graphic designers, advertising agency creatives, new media designers, clients, photographers, directors and television producers.

Televisual was launched in 1982 and is a leading monthly title for the TV production community.

(iv) Legal

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 and declined marginally last year.

Products

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, Lawyer Diary, Lawyer Directories, LawZone* and *Business Watch*. Its principal focus is on the business of the law rather than the law itself which distinguishes it from its formerly associated service *Lawtel*, an online database of case law and statutes, which was a business acquired by Centaur 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 initiating, managing and creating online commercial activities. The Directors and the Proposed 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 fourth quarter of 2003, which stated that UK internet marketing expenditure outperformed all other categories of UK marketing spend monitored by the survey for seven consecutive quarters. In addition, the Interactive Media in Retail Group reported in January 2004 that UK internet shoppers spent £1,324 billion in December 2003, an increase of 70 per cent. against the same period in 2002. This represents growth 31 times higher than UK high street trading over the same period. The Interactive Advertising Bureau reported in December 2003 that UK online advertising reached £152 million in the first half of 2003, a market share of 2 per cent. The Directors and the Proposed

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.

Products

The paid-for weekly magazine *New Media Age* is an established and leading title in this sector which has enabled it to develop the following products: the annual *New Media Age Effectiveness Awards*, monthly sponsored workshops and networking events and the portal *New Media Zero* which contains content from the magazine. The magazine accounted for most of the Group's revenues in this division for the year to 30 June 2003.

(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.

The market for specialist consumer titles focused on the self-build market has shown consistent growth for over a decade. The Directors and the Proposed Directors believe that the self-build market has benefited from the rise in value of the housing market. Regular television exposure with "make-over" and "design show" formats has helped publicise and fuel this growth.

Products

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 six shows, providing a key marketing advantage to the magazine in attracting new readers.

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 Authority specifiers. 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.

(vii) Engineering

Centaur's engineering division principally targets engineering professionals in the original equipment manufacturing sector which are believed by the Directors and the Proposed 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 and the Confederation of British Industry ("CBI") has recently reported that manufacturers are more optimistic about output prospects than at any point since 1997. The Directors and the Proposed Directors believe that this increase in confidence could lead to increased advertising expenditure in this sector.

Similarly, the CBI's latest quarterly industrial trends survey has indicated a recovery in the manufacturing sector. The survey showed 30 per cent. of respondents had seen orders rise in the past three months against 17 per cent. seeing a fall. The 13 per cent. balance is the largest increase in orders since October 1996.

Products

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 only on subscription (£495 for a single-user). As well as subscription revenue, the unit publishes advertising-based supplements, 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 10 years. Centaur's strength lies in creating focused exhibitions in the trade and specialist-consumer sectors. This division operates in 6 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 and the Proposed 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. Centaur Exhibitions has often secured re-bookings on the large majority of its stand space. The Directors and Proposed Directors believe that this gives an excellent platform for growth and clear visibility of future revenues.

Revenues are derived principally from stand sales, sponsorship and seminar delegate fees. The Directors and the Proposed 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 is seeking to expand into Germany. The Directors and the Proposed Directors believe there remain further growth opportunities in exhibitions serving the core Marketing, Financial, Legal, New Media and Engineering sectors.

(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 and the Proposed 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

Centaur's *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 and 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 are in the process of being 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 will include 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 and the Proposed Directors believe accounts for a significant proportion of the global demand for financial data.

7. Market overview

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 (source Advertising Association, August 2003). 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 2003 represented 13.1 per cent. of total press expenditure.

UK Advertising Expenditure 1995-2002

Year	*Total*	*Total Press*	*B-to-B*	*B-to-B*	
	£bn	*£m*	*£m*	*% Total*	*% Press*
1995	11.03	5,979	897	8.1	15.0
1996	12.08	6,413	1,018	8.4	15.9
1997	13.34	6,967	1,106	8.3	15.9
1998	14.41	7,531	1,209	8.4	16.1
1999	15.41	7,877	1,195	7.8	15.2
2000	16.98	8,604	1,270	7.5	14.8
2001	16.54	8,514	1,202	7.3	14.1
2002	16.73	8,306	1,088	6.5	13.1

Source: Advertising Association, August 2003

In recent months there has been evidence that sentiment in the market is improving such as the findings in the Bellwether Report for the fourth quarter of 2003 referred to in paragraphs 6(i) and (v) above.

UK Business Publishers

The UK business publishing industry is highly fragmented. Many publishers are highly specialised, owning only a small number of titles in a particular niche. The following table describes some of the business publishing markets served by certain of the larger UK business magazine publishers.

Selected UK Business Publishers

Company	*Status*	*Business Publishing: Selected Served Markets*
Centaur	Private	Marketing, Creative, Financial Services, Legal, New Media, Construction and Engineering
CMP Information (part of United Business Media plc)	Public	Healthcare, Building & Property, Entertainment, Travel, Agriculture, Information Technology & Games, Print
Emap Communications (part of Emap plc)	Public	Media, Construction, Healthcare, Retail, Public sector
Euromoney plc	Public	Finance, Legal, Energy, IT and Telecoms, Pharmaceuticals, Transport, Travel, Retail and Food
Haymarket Group Limited	Private	Marketing & Media, Management, Medical, Information, Public Relations, Print Technology, Horticulture
Highbury House Communications plc	Public	Horticulture, Professional & Industrial, Education, Food & Drink, Retail, Transport and Electrical, IT & Communications
Incisive Media plc	Public	Insurance, Risk Management, Investment, Mortgages, Photography and Financial IT & Market Data
Informa Group plc	Public	Telecoms, Media, Maritime, Transport, Trade, Finance, Insurance, Commodities, Energy, Tax, Law, Life Sciences
Metal Bulletin plc	Public	Finance, Energy, Minerals, Shipping, Textiles, Steel and Metals
Reed Business UK (part of Reed Elsevier Group plc)	Public	Science, Healthcare, Agriculture, Construction, Computing, Catering and Social Care
Wilmington Group plc	Public	Legal, Construction, Design, Catering, Healthcare, Energy, Industrial Technology, Architecture

UK Exhibitions

There are many companies operating in the UK exhibitions market. The Exhibition Venues Association estimated the size of the UK exhibition market (trade and consumer) in their most recent survey in 2002 at £2.0 billion (based upon figures compiled in 2001). The following table shows the fluctuations in the size of the market in the last three surveyed years.

Total UK Exhibitions (Trade and Consumer)	*2000*	*2001*	*2002*
Number of exhibitions	868	823	855
Net Space (m^2 million)	3.7	3.1	3.4
Gross Space (m^2 million)	7.6	6.9	7.0
Visitors (million)	11.1	9.1	10.3
Number of trade only exhibitions	478	463	471

Source: Exhibition Venues Association Report 2003

Trade shows remain a valuable opportunity for exhibitors to meet face to face with existing and potential clients. The Directors and the Proposed 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 or limiting their presence to fewer days.

UK Conferences

The Directors and the Proposed 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 IIR, IBC (part of Informa Group plc), SMi and IQPC. Centaur Conferences 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 of the business publishers listed on page 13 also operate conferences to a greater or lesser degree in their publishing markets.

8. Financial information

The Company has only recently been formed for the purpose of the Acquisition and has not traded. Consequently, the Company has not published any consolidated financial information. An accountants' report on the Company is contained in Part 4 of this document.

The table below sets out the summary financial information of Centaur for the three years ended 30 June 2003 and the six months ended 31 December 2003. This financial information has been extracted without material alterations from the Accountants' Report on Centaur set out in Part 5 and the Unaudited Consolidated Interim Accounts for Centaur for the six months ended 31 December 2003 set out in Part 6. 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' Reports set out in Parts 4 and 5 and the Unaudited Consolidated Interim Accounts set out in Part 6.

Results from continuing operations

	Audited 12 months to 30 June			*Unaudited 6 months to 31 December*	
	2001 (£'000)	*2002 (£'000)*	*2003 (£'000)*	*2002 (£'000)*	*2003 (£'000)*
Turnover	71,560	63,327	61,995	27,079	28,588
Adjusted EBITDA	12,322	5,808	6,655	1,195	1,074

After a strong performance in the year to 30 June 2001, Centaur experienced a significant reduction in both revenue and profitability over the two years to 30 June 2003 during the economic downturn. Most of the decline in revenue from publishing activities in the two years to 30 June 2003 was due to falls in advertising volumes rather than yields. This reflects the Group's general policy of seeking to maintain yields, even during periods of market weakness.

Notwithstanding the decline in revenues in the last two years, there has been significant growth in the Conferences and Exhibitions divisions which has countered reductions in revenues in a number of the other divisions, primarily Engineering and Marketing.

In the six months to 31 December 2003 revenues from continuing activities (including acquisitions) have increased by 6 per cent. compared to the corresponding period in the previous year. This was principally due to continued growth in revenues from exhibitions, conferences and events, which contributed 24 per cent. of group revenues in the six months, compared to 20 per cent. a year earlier. In addition, revenues from electronic products were 25 per cent. higher than the corresponding period in the previous year, due primarily to Perfect Information, whose revenues included incremental revenues of £0.2m arising from its recently acquired subsidiary, Synergy. The Construction division's revenues continued to grow strongly in the period.

Revenues from printed products declined 4 per cent. during the six months to 31 December 2003, principally as a result of further declines in advertising volumes. However, revenues from the top six publications showed a modest increase in the last three months of 2003. This was led by a recovery in recruitment advertising, most of which is generated by the key weekly magazines. Overall recruitment advertising was 3 per cent. higher in the final quarter of 2003.

EBITDA in the six months to 31 December 2003 was marginally lower than in the corresponding period in 2002, despite increased revenues. Nevertheless, the impact of prior year cost reductions was apparent in the Engineering and New Media divisions in particular whose losses were significantly reduced in the last six months of 2003.

There was an overall decline in margin, which was primarily due to three factors:

(i) Advertising revenues from higher margin products such as the weekly magazines declined during the period, although, as discussed above, this trend was reversed in some cases during the final quarter;

(ii) A second production team in the Conferences division was added in the period, resulting in an increase in fixed costs; and

(iii) The recently acquired Synergy is currently loss-making, primarily as a result of investment made by Perfect Information in incremental sales, customer service and technical resources.

At the time of the acquisition of Synergy, Perfect Information's strategy with regard to this investment was to position Synergy's core product Hydra (now re-branded *Perfect Analysis*) as a relatively low-cost alternative to the leading products in the market, with advantages in terms of ease of use, albeit somewhat narrower in terms of total content coverage. Following the acquisition last October, Perfect Information recognised that the opportunities for *Perfect Analysis* would be significantly enhanced by the addition of further content, in particular a variety of indices and global economic data. Perfect Information has therefore decided to delay full roll-out of the new product until these additional services have been properly integrated.

9. Current trading and prospects

As mentioned above, Centaur has experienced an overall strengthening of the advertising market relative to the previous year, with recruitment advertising showing a stronger recovery than for display advertising. This pattern has continued into the new year although the pace of recovery varies across the sectors.

The profits of certain titles have benefited from the relatively high levels of operational gearing that are a feature of the business, particularly in the case of the weekly magazines.

Through a combination of revenue increases and cost reductions, a number of Centaur's internet sites have either reduced their losses or have improved their profit contribution during the period.

The roll-out of the enhanced *Perfect Analysis* service is expected to commence in the April to June quarter 2004. The increased cost associated with this investment will have an adverse impact on Perfect Information's EBITDA for the year ending 30 June 2004, but the Directors and the Proposed Directors believe that the Synergy acquisition and this ongoing investment should deliver significant returns in the future.

Market Outlook

One of the most difficult advertising industry recessions in decades has forced many business publishers, including Centaur, to cut costs whilst simultaneously trying to find ways to offset falling advertising revenues.

The Directors and the Proposed Directors believe the worst of the recession is now over and the first signs of recovery have appeared, led by the improving US economy. Following two years of steep declines, the US B-to-B industry, traditionally the forerunner of the UK market, is estimated to have seen growth of 1.1 per cent. in the first half of 2003 which is forecast to rise to 3.8 per cent. in 2004 (source Veronis Suhler Stevenson Industry Forecast, July 2003).

Whilst not immune to the economic downturn, Centaur has resisted the worst effects of the two-year contraction, protected, in the opinion of the Directors and the Proposed Directors, by the strength of its brands. This is also in part due to the various brand extensions, reducing Centaur's dependence on advertising revenue. The bulk of cost cutting measures implemented during the recent recession were not in key areas. The Directors and the Proposed Directors believe that Centaur is well placed to benefit from the recovery as corporate profits increase and the advertising market returns.

10. Pro forma net assets

The pro forma net assets of the Group are set out in Part 7 of this document and show the effect on the Group's balance sheet had the Placing and the Acquisition occurred on 30 June 2003.

11. The Placing

The issue of the New Ordinary Shares pursuant to the Placing will raise up to approximately £134 million (before expenses) which will be sufficient to fund the Acquisition, the D Offer and part of the costs related to them. To the extent that holders of D Shares elect to receive Ordinary Shares or Loan Notes as consideration rather than cash, the Company will retain the cash which would have been used for their acquisition as a further contribution to the costs of the Acquisition and/or general corporate purposes. It is intended that the Company will following Admission receive a dividend or similar payment from Centaur of up to £5 million to satisfy remaining costs associated with the Acquisition. Details of the Placing Agreement are set out at paragraph 5 in Part 3 of this document. Numis intends to place the New Ordinary Shares with institutional investors.

12. Directors, Proposed Directors and senior management

Patrick Taylor and Colin Morrison were appointed as non-executive directors of the Company on 19 February 2004.

Graham Sherren, Geoffrey Wilmot and Thomas Scruby, all of whom are current directors of Centaur, will become directors of the Company on Admission. Graham Sherren will be Chairman and Chief Executive Officer, Geoffrey Wilmot will be Chief Financial Officer and Thomas Scruby will be a non-executive director.

The two principal executives will be supported by a group of senior managers who currently oversee each of Centaur's business communities. They have an average age of 43 and a substantial length of service.

Whilst Graham Sherren will be both Chairman and Chief Executive of the Company, the Company intends to separate these roles as soon as a suitable candidate for the position of Chief Executive can be found and, in any event, by the time of the Company's annual general meeting in 2006. The Company plans to commence the search for a suitable Chief Executive during 2004. The Company believes that it has a number of strong internal candidates who will be considered for this position alongside external candidates.

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

(i) Directors

Patrick Taylor, Non-executive Director (aged 55)

Patrick was formerly chief executive 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.

Colin Morrison, Non-executive Director (aged 52)

Colin is CEO 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.

(ii) Proposed Directors

Graham Sherren, Chairman and Chief Executive Officer (aged 66)

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 ran Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1982 when he established Centaur.

Geoffrey Wilmot, Chief Financial Officer (aged 50)

Geoff joined Centaur in September 1998 as Group Finance Director. He qualified as a chartered accountant with Binder Hamlyn in 1979. Immediately prior to joining Centaur, he was Chief Financial Officer of the legal and professional division within the Thomson Corporation. He has also previously worked for Morgan Crucible plc in a variety of roles and as Finance Director of Dexion Group plc and Scruttons plc.

Thomas Scruby, Non-executive Director (aged 68)

Tom was appointed a director of Centaur 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 plc and Questor VCT plc, and a non-executive director of Questor VCT 2 plc.

(iii) Senior Management

Annie Swift, Publishing Director, Marketing Division (aged 43)

Annie joined Centaur in 1988 as publisher of *Creative Review*. She is now Publishing Director responsible for all marketing community activities including *Marketing Week, Precision Marketing* and *In-Store Magazine*. Prior to joining Centaur, 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, Financial Services Division (aged 43)

Tim joined Centaur in 1986 as a reporter. He was editor of *Money Marketing* and later publisher. He is now Publishing Director with responsibility for the Financial Services division. He was responsible for developing *Mortgage Strategy* and *Fund Strategy*. Prior to joining Centaur he was a local newspaper reporter.

Roger Beckett, Publishing Director, Creative Division (aged 43)

Roger joined Centaur 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 Centaur and has worked on several other titles in the group including *Marketing Week* and *Precision Marketing*. Prior to joining Centaur, he worked at United Trade Press, a business-to-business publisher now known as Wilmington Group plc.

Rachel Lesiter, Publishing Director, Legal Division (aged 34)

Rachel joined Centaur in 1993 and was instrumental in turning Lawtel (which was sold in 2002) into a profitable service. In 1998 her responsibilities were extended to include *The Lawyer* and she is now the Publishing Director of Centaur's Legal division.

Nigel Roby, Publishing Director, New Media and Engineering Divisions (aged 44)

Nigel joined Centaur in 1995 and is Publishing Director responsible for *New Media Age* and its associated activities, for *The Engineer* and *Process Engineering* and for *publicprivatefinance*. Prior to joining Centaur, 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 47)

Robin joined Centaur 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 Centaur including responsibility for the launch of *Precision Marketing* in 1988. Prior to joining Centaur, 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, Director of Centaur Internet Businesses and Conferences (aged 51)

Howard joined Centaur in 1984 as editor of *Marketing Week* and is Business Development Director with particular responsibility for the development of the Group's internet and conference businesses. Since joining Centaur, he has been publisher of *Marketing Week* and Publishing Director responsible for a range of businesses including Centaur Exhibitions, *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 (aged 36)

Calum joined Centaur in 1990 and is Managing Director of Centaur Exhibitions. 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.

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 45)

Mike joined Centaur 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 52)

Ian joined Centaur 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 Neville). He previously worked for a financial advisory company, Partridge, Muir and Warren.

Ian Mortimer, Group IT Director (aged 47)

Ian joined the Group in 1999 having previously held IT positions with the Home Office for 4 years, and Hambros Bank and Den Danske Bank for 16 years.

Judith Mann Selley, Director of Circulation and Information Services (aged 41)

Judith joined Centaur 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.

13. Corporate governance

The Company will not, immediately upon Admission, be fully compliant with the principles and provisions of the Combined Code and the recommendations of the Higgs Report, but, except as set out below, intends to become so, so far as appropriate for a company of its size and nature, as soon as practicable following Admission.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions. The Company will adopt the Model Code.

In the opinion of the Directors and the Proposed Directors, both Patrick Taylor and Colin Morrison are independent directors for the purposes of the Combined Code. The Directors and the Proposed Directors appreciate that Thomas Scruby does not fully satisfy the independence criteria set out in the Combined

Code. However, they believe that his knowledge of Centaur will be of benefit to the Board and certain of its committees.

The Board has established audit, remuneration, and nominations committees, each with formally delegated duties and responsibilities.

The audit committee will receive and review reports from the management and the Company's auditors relating to annual and interim accounts and the accounting and internal controls in place throughout the Group. The audit committee will have unrestricted access to the Group's auditors. Upon Admission, the members of the audit committee will be Patrick Taylor, Colin Morrison and Thomas Scruby.

The remuneration committee will review the scale and structure of the executive directors' and senior managements' remuneration and the terms of their service contracts. The remuneration and terms of appointment of the non-executive directors will be set by the Board. The remuneration committee will also approve the issue of share options under the Share Option Schemes. Upon Admission, the members of the remuneration committee will be Patrick Taylor, Colin Morrison and Thomas Scruby.

The nominations committee will nominate potential members of the Board.

The Directors and Proposed Directors intend to seek admission of the Ordinary Shares to the Official List as soon as practicable following the publication of the Company's consolidated audited report and accounts for the year to 30 June 2004.

14. Dividend policy

The New Ordinary Shares will rank in full for all dividends or other distributions declared, made or paid in respect of the ordinary share capital of the Company following Admission.

Subject to maintaining an appropriate level of cover, the Directors and the Proposed Directors expect that the Company will pay dividends at a comparable level to its peer group.

15. Share Option Schemes

As described in paragraph 2 above, the Company and Centaur has made a proposal to existing holders of Centaur Options inviting them to exercise their Centaur Options and participate in the D Offer. As an alternative to exercising Centaur Options and accepting the D Offer, eleven Option Holders are being offered the opportunity to elect to surrender 20 per cent. of their Centaur Options and receive options under the Rollover Scheme on the same terms as their Centaur Options ("Rollover Options"). If Option Holders elect to roll over a proportion of their options in this way, (with the exception of Graham Sherren) they will also be granted options under the Share Option Scheme in respect of a number of shares equal to the number of shares subject to the Rollover Option ("Matching Options"). Irrevocable undertakings to elect to receive Rollover Options have been received in relation to 241,557 Centaur Options.

In addition to the Rollover Options and the Matching Options, the Company may, at the recommendation of the Remuneration Committee, grant options to employees and directors of the Company under the Share Option Scheme ("New Options"). The grant of all options is subject to an overriding limit of five per cent. of the issued share capital of the Company.

Rollover Options will have a variable exercise price per share, depending on the exercise price of the Centaur Options being surrendered, the intention being that the exercise price of the Rollover Options should reflect the market value of the Centaur Options given up. New Options and Matching Options will have an exercise price equal to the market value of the Ordinary Shares at the date of grant.

Rollover Options will not be Inland Revenue approved options and will be granted on substantially the same terms as the Centaur Options surrendered. They will be exercisable one year after the date of grant on the same terms as the Centaur Options and will not be subject to performance conditions. For all other options (including Matching Options), options granted to each person over Ordinary Shares up to a market value of £30,000 will be Inland Revenue approved and the remainder will be unapproved. All such options will be exercisable between three years and ten years after the date of grant, subject to the achievement of performance conditions.

Further details of the Share Option Scheme are set out in paragraph 5 of Part 8 of this document.

In addition to the above, the PIL Scheme set up by Centaur's subsidiary, Perfect Information, will be left in place following Admission. Under the PIL Scheme options may be granted to employees of Perfect Information and its subsidiary companies to acquire ordinary shares in Perfect Information. To date, options have been granted to 17 key personnel over 429,990 ordinary shares in Perfect Information, representing 5.4 per cent. of the total issued ordinary share capital on a fully diluted basis of Perfect Information. It has been proposed that following Admission, four directors of Perfect Information (Greg Simidian, Tony McLaren, James Coleman and Nick Benyon) will surrender their existing options over, ordinary shares in Perfect Information at an exercise price of £1.00 in consideration of the grant of new options over in aggregate 550,000 ordinary shares in Perfect Information at an exercise price of £0.30 per share. These options would then be exercised immediately and the relevant ordinary shares issued £0.01 paid. The balance of the exercise price would not become payable until any sale or flotation of Perfect Information. This proposal will result in these directors holding shares which together with the shares over which subsisting options have been granted under the PIL Scheme represent, in aggregate, 9.08 per cent. of the share capital of Perfect Information on a fully diluted basis.

Further details of the PIL Scheme are set out in Paragraph 5 of Part 8 of this document.

16. Taxation

General information relating to UK taxation with regard to Admission and the Placing is summarised in paragraph 12 of Part 8 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.**

17. Admission, dealings and CREST

Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will take place and that dealings on AIM will commence at 8.00 a.m. on 10 March 2004.

Application will be made to permit Ordinary Shares to be settled through CREST with effect from Admission. 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.

It is expected that definitive share certificates will be despatched by first class post to those shareholders whose entitlements are to be dealt with outside CREST at the risk of the person entitled thereto on 17 March 2004 or as soon thereafter as is practicable and that the CREST accounts in respect of those shareholders who have requested that their entitlements be dealt with inside CREST will be credited on or before 10 March 2004.

18. Further information

Your attention is drawn to the additional information set out in Parts 2 to 8 of this document.

PART 2

Risk Factors

Potential investors should carefully consider the risks described below before making any decision to invest in the Company. The investment offered in this document may not be suitable for all of its recipients. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If any of the risks described should actually occur, the Company could be materially affected. In such circumstances, the price of the Company's stock may fall and you could lose all or part of your investment. **If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. This summary of risk factors is not intended to be exhaustive.**

1. Investment in AIM listed securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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 and the Proposed Directors believe that the Group will need to maintain the highest standards of editorial integrity and an effective marketing strategy.

8. 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.

9. Rights of holders of D Shares

The Share Purchase Agreement is conditional upon, *inter alia,* the D Offer being declared unconditional. The D Offer is conditional upon, *inter alia*, receipt of valid acceptances of the D Offer from the holders of not less than 90 per cent. of the D Shares to which the D Offer relates. The Company has the right to waive this condition and may choose to do so. If it does so and less than 90 per cent. of the D Shares to which the D Offer relates are assented to the D Offer, the Company will not be entitled to compulsorily acquire the remaining D Shares under section 428 of the Companies Act. In such circumstances, there could continue to be a minority shareholding left in Centaur. Holders of such a minority shareholding would have the rights described below and in paragraph 3 of Part 3 of this document including, without limitation, the right to receive their share of any dividends paid by Centaur to the Company. As a result, the Company may choose not to pay dividends in accordance with the policy set out in paragraph 14 of Part 1 where to do so would result in dividends being paid to such holders.

Whilst there is a minority interest of D Shareholders, such D Shareholders as a class have certain rights. In particular, holders of D Shares have the right to receive their *pro rata* entitlement to all dividends paid on the ordinary shares of Centaur. Unless and until the Company by special resolution of Centaur determines otherwise, the number of directors of Centaur must be eight, two of whom may be appointed and removed by the holders of a majority of the D Shares. Holders of D Shares are also able to vote at general meetings of Centaur.

10. 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.

11. 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, the Directors and the Proposed 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.

12. 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.

13. 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.

14. 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.

15. 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

Summary of the Acquisition Documents and the Placing Agreement

1. The 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 has agreed to acquire all of the issued A, B and C ordinary shares in the issued share capital of Centaur conditional upon: (i) Admission taking place; (ii) the Placing Agreement becoming unconditional in all respects (save in respect of Admission or any condition relating to the completion of the Share Purchase Agreement); and (iii) the D Offer becoming unconditional as to acceptances.

The consideration for the Acquisition is up to approximately £110.7 million on a fully diluted basis to be satisfied by the payment of up to £97,045,079 in cash and the issue of 13,386,661 Ordinary Shares to the Vendors.

£1,000,000 of the consideration is to be retained in an escrow account following completion of the Acquisition pending agreement of the level of net cash of Centaur and its subsidiaries as at 1 March 2004. If cash is greater than £3,881,000, the full amount of the retention will be paid to the Vendors. If cash is less than £3,881,000, the shortfall will be paid to the Company and the balance (if any) paid to the Vendors. If the shortfall is greater than the amount in the escrow account, the Major Vendors will make a further payment to the Company equal to the amount by which the shortfall exceeds the amount in the escrow account.

The Major Vendors have undertaken that during the period from the date of the Share Purchase Agreement to completion of the Share Purchase Agreement ("Completion") they will procure that the business of the Group is carried on in the ordinary course and that certain specific actions in relation to the operation of the business of the Group are not taken during this period without the prior consent of the Company (such consent not to be unreasonably withheld or delayed).

The Vendors have given warranties on a several basis in relation to their title to the shares to be sold by each of them under the Share Purchase Agreement and the Major Vendors have given warranties on a several basis in relation to the business and operations of the Group. These warranties will be repeated upon completion of the Acquisition. The time limit for the Company to give notice of a claim for breach of the warranties and indemnities (other than the taxation warranties and an indemnity in respect of certain contingent pension liabilities (the "pension indemnity")) expires on 30 September 2005 and for the tax warranties and pension indemnity on 30 June 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 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 June 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 Completion in the United Kingdom, for a period of 24 months following Completion.

2. Tax Deed

The Tax Deed, which will be entered into on completion of the Share Purchase Agreement, provides a mechanism for the Major Vendors to indemnify the Company in respect of certain pre-completion tax liabilities and other tax-related liabilities of the Centaur Group. 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 the Centaur Group between 30 June 2003 and completion of the Share Purchase Agreement.

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.

The Tax Deed also sets out the rights and obligations of the parties with respect to various administrative matters such as the filing of tax returns for the Centaur Group for accounting periods up to and straddling completion and the conduct of negotiations or disputes with the tax authorities.

3. The D Offer

The share capital of Centaur is divided into four classes of share, "A", "B", "C" and "D" ordinary shares. The "A", "B" and "C" ordinary shares of Centaur are to be acquired by the Company pursuant to the Share Purchase Agreement described in paragraph 1 above. Due to the large number of holders of D Shares, the Company has elected to acquire the D Shares by way of a tender 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 Centaur to accept the D Offer was despatched to holders of D Shares on the date of this document. The financial terms of the D Offer are the same as the Share Purchase Agreement, save that there is no retention from the cash consideration due to D Shareholders in respect of the net cash adjustment described in paragraph 1 above. Holders of D Shares will receive cash consideration of £8.36 for each D Share assented to the D Offer but may elect to receive some or all of their consideration in Ordinary Shares or Loan Notes on the basis of approximately 8.64 Ordinary Shares for each D Share and/or £1 in nominal amount of Loan Notes for each £1 of cash consideration.

The D Offer is conditional upon receiving acceptances from not less than 90 per cent. (or such lesser percentage as the Company may decide) in nominal value of the D Shares to which the Offer relates and the Share Purchase Agreement becoming unconditional (save for any condition relating to the D Offer). If acceptances are received from at least 90 per cent. in nominal value of the D Shares to which the D Offer relates, the Company intends to compulsorily acquire any D Shares that have not been assented to the D Offer pursuant to the provisions of the Companies Act. Irrevocable undertakings to accept the D Offer have been received in respect of 97.5 per cent. of the existing D Shares (or 55.5 per cent. of D Shares on a fully diluted basis*).

The Company has the right to waive the acceptance condition of the D Offer and may choose to do so. In these circumstances it is possible that there could continue to be a minority shareholding left in Centaur. VS & A Communications Partners II, LP has indicated that in such circumstances it would seek to exercise its drag along rights as authorised in the Articles of Association of Centaur to require any D Shareholder who had not accepted the Offer to transfer their D Shares to the Company.

4. Loan Notes

The Loan Notes will be constituted by a guaranteed loan note instrument to be executed by the Company prior to Admission. The Loan Notes will be issued in amounts and multiples of £1.00. The Royal Bank of Scotland has agreed to guarantee 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 Interest Period will be 0.75 per cent. below the London Inter-Bank Offer Rate for the relevant Interest 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 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 Notes originally issued.

*Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full.

5. The Placing Agreement

By the Placing Agreement Numis dated 27 February 2004 has agreed conditionally, *inter alia*, on (i) Admission taking place not later than 10 March 2004 or such later date as Numis and the Company may agree, but not later than 1 April 2004; (ii) no material adverse change in the financial or trading position or prospects of the Group happening before Admission; (iii) none of the warranties in the Placing Agreement being untrue, inaccurate or misleading in a material respect; and (iv) the Share Purchase Agreement becoming unconditional in all respects (save in respect of Admission or any condition relating to completion of the Placing Agreement) and having been completed in escrow in accordance with its terms and not being terminated in accordance with its terms or rescinded, to procure placees to subscribe for the New Ordinary Shares in each case at the Placing Price, failing which Numis will itself subscribe for such shares.

Under the Placing Agreement:

(A) the Company has 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 New Ordinary Shares at the Placing Price, plus a corporate finance fee of £1.5 million (plus VAT);

(B) the Company has 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 the Proposed Directors have given certain warranties to Numis as to the accuracy of the information in this document and as to other matters relating to the Group and its business.

The Placing Agreement also contains 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 shares under the Placing.

The Placing Agreement may be terminated by Numis prior to 5.00 p.m. on the business day after the date of the Placing Agreement if a *force majeure* event occurs; prior to Admission if there is a material adverse change in the financial or trading portion or prospects of the Group; or prior to Admission if Numis becomes aware of a material breach of warranty.

6. Lock-in arrangements

The Directors and the Proposed Directors (who will hold 7,339,915 Ordinary Shares, in aggregate, representing approximately 4.96 per cent. of the Ordinary Shares in issue on Admission*) have undertaken in a lock-in agreement not to dispose of any of their Ordinary Shares (or any interest therein) for a period of 12 months from the date of the Placing Agreement.

Griffin Land & Nurseries Inc. (which will hold 6,479,130 Ordinary Shares representing approximately 4.38 per cent. of the Ordinary Shares in issue on Admission*) has undertaken in a lock-in agreement not to dispose of any of its Ordinary Shares (or any interest therein) for a period of six months from the date of Admission.

These lock-in arrangements will not apply in certain 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 or Proposed Directors ceasing to be directors of the Company.

*Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full.

PART 4

Accountants' Report on the Company

ERNST & YOUNG

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

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

27 February 2004

Dear Sirs

1. Introduction

We report on the financial information set out in paragraphs 2 and 3 below. This financial information has been prepared for inclusion in the Admission Document dated 27 February 2004 of Centaur Holdings plc.

Basis of preparation

The financial information set out in notes 2 and 3 below is based on the audited financial statements of Centaur Holdings plc as at 31 December 2003 and has been prepared on the basis set out in note 3 below to which no adjustments were considered necessary.

Centaur Holdings plc was incorporated 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. The audited financial statements of Centaur Holdings plc as at 31 December 2003 were prepared for the purpose of the Admission Document.

Responsibility

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

The directors and proposed directors of Centaur Holdings plc are responsible for the contents of the Admission Document dated 27 February 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. It also included an assessment of 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 Admission Document dated 27 February 2004, a true and fair view of the state of affairs of Centaur Holdings plc as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended.

Consent

We consent to the inclusion in the Admission Document dated 27 February 2004 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Balance Sheet

	Note	At 31 December 2003 £
Current assets		2
		2
Capital and reserves		
Called up share capital	(2)	2
Equity shareholders' funds		2

3. Notes to the Financial Information

(1) Accounting policies

Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Share capital

	At 31 December 2003 £
Authorised	
1,000 ordinary shares of £1 each	1,000
	1,000

	At 31 December 2003 £
Allotted, called up and fully paid	
2 ordinary shares of £1 each	2
	2

The Company was incorporated with the name De Facto 1093 Limited on 30 October 2003. Two subscriber ordinary shares of £1 each were issued and credited as fully paid.

(3) Post balance sheet events

By written resolution dated 23 February 2004 each of the ordinary shares of £1 each were subdivided and converted 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 199,996 ordinary shares of £0.50 each and 199,800,000 ordinary shares of £0.10 each.

On 29 January 2004, the Company re-registered with the name Centaur Holdings Limited and on 26 February 2004 re-registered as a public limited company with the name Centaur Holdings plc.

On 24 February 2004, 99,998 ordinary shares of £0.50 each were allotted to Colin Morrison and 99,998 ordinary shares of £0.50 each were allotted to Patrick Taylor at a subscription price of £0.50 per share, credited as fully paid.

At an extraordinary general meeting of the Company held on 26 February 2004, each of the issued shares of £0.50 each in the capital of the Company were subdivided into 1 ordinary share of £0.10 each and 4 deferred shares of £0.10 each.

The authorised share capital of the Company immediately upon Admission will be £20,080,000 divided into 200,000,000 ordinary shares and 800,000 deferred shares of £0.10, of which, if all D Shareholders elect to receive cash under the D Offer and all outstanding Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over ordinary shares of £0.10 each) are exercised, 147,994,118 ordinary shares of £0.10 and 800,000 deferred shares of £0.10 will have been issued, credited as fully paid.

With effect immediately upon Admission, 134,175,073 new ordinary shares will be allotted at the Placing Price pursuant to the Placing, 13,386,661 new ordinary shares will be allotted pursuant to the Share Purchase Agreement, up to 32,799,151 new ordinary shares will be allotted pursuant to the D Offer, and the Company will acquire the entire issued share capital of Centaur Communications Limited.

Apart from the arrangements relating to the Placing, the Acquisition and the D Offer and the issue and conversion of shares described in note (2) and note (3) the Company has not entered into any other transactions since incorporation.

Yours faithfully

Ernst & Young LLP

PART 5

Accountants' Report on Centaur

ERNST & YOUNG

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The Directors
Numis Securities Limited
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London
EC2V 6LH

27 February 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 Admission Document dated 27 February 2004 of Centaur Holdings plc.

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 three years ended 30 June 2003 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 who approved their issue.

The directors and proposed directors of Centaur Holdings plc are responsible for the contents of the Admission Document dated 27 February 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 Admission Document dated 27 February 2004, a true and fair view of the state of affairs of Centaur Communications Limited as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended.

Consent

We consent to the inclusion in the Admission Document dated 27 February 2004 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Consolidated profit and loss account

	Notes	2001 £'000	2002 £'000	2003 £'000
Turnover				
Continuing operations		71,560	63,327	61,995
Discontinued operations		4,960	5,374	650
	2	76,520	68,701	62,645
Cost of sales		(42,641)	(40,145)	(35,743)
Gross profit		33,879	28,556	26,902
Distribution costs		(4,589)	(4,319)	(4,254)
Administrative expenses		(23,006)	(31,063)	(19,201)
Adjusted EBITDA	2	11,842	5,648	6,528
Depreciation of tangible fixed assets		(2,255)	(2,523)	(2,836)
Amortisation of goodwill		(875)	(885)	(245)
Exceptional administrative expenses	5	(2,428)	(243)	—
Goodwill impairment		—	(8,823)	—
Operating profit/(loss)				
Continuing operations		6,953	(6,470)	3,575
Discontinued operations		(669)	(356)	(128)
		6,284	(6,826)	3,447
Discontinued operations:				
Loss on disposal of business	34	(105)	—	—
Profit on disposal of subsidiary undertakings	35	—	—	15,385
Costs arising from reorganisation	35	—	—	(1,777)
Profit/(loss) on ordinary activities before interest		6,179	(6,826)	17,055
Interest receivable and similar income	7	67	46	57
Interest payable and similar charges	8	(1,592)	(1,449)	(935)
Profit/(loss) on ordinary activities before taxation	4	4,654	(8,229)	16,177
Tax on profit/(loss) on ordinary activities	9	(2,430)	(358)	(105)
Profit/(loss) on ordinary activities after taxation		2,224	(8,587)	16,072
Equity minority interests	30	(101)	(41)	32
Profit/(loss) for the financial year attributable to members of the parent company		2,123	(8,628)	16,104
Dividends				
Ordinary dividend on equity shares	10	(191)	—	—
Retained profit/(loss) for the financial year	25	1,932	(8,628)	16,104
Earnings/(loss) per share				
— basic	11	13.9p	(56.1)p	104.5p
— diluted	11	12.6p	(51.1)p	95.3p

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

3. Consolidated balance sheet

	Notes	2001 £'000	2002 £'000	2003 £'000
Fixed assets				
Intangible fixed assets	12	12,060	2,352	2,595
Tangible fixed assets	13	7,750	8,262	5,921
Investments	14	423	459	459
		20,233	11,073	8,975
Current assets				
Stocks	15	601	550	1,260
Debtors	16	16,454	14,215	12,925
Debtors due after more than one year	16	—	—	833
Cash at bank and in hand		1,578	3,300	4,085
		18,633	18,065	19,103
Creditors: amounts falling due within one year	17	(23,691)	(23,234)	(18,564)
Net current assets/(liabilities)		(5,058)	(5,169)	539
Total assets less current liabilities		15,175	5,904	9,514
Creditors: amounts falling due after more than one year	18	(15,125)	(13,787)	—
Provisions for liabilities and charges	20	(74)	(714)	(1,997)
		(24)	(8,597)	7,517
Capital and reserves				
Called up share capital	22	1,532	1,539	1,549
Share premium account	23	13,378	13,436	13,531
Capital redemption reserve	24	483	483	483
Profit and loss account	25	(15,474)	(24,102)	(7,998)
Equity shareholders' Funds/(deficit)		(81)	(8,644)	7,565
Equity minority interests	30	57	47	(48)
		(24)	(8,597)	7,517

4. Consolidated cash flow statement

	Notes	2001 £'000	2002 £'000	2003 £'000
Net cash inflow from operating activities	31	13,991	8,182	6,936
Returns on investments and servicing of finance				
Interest received		67	46	57
Interest paid		(1,549)	(1,487)	(362)
Dividends paid to minority interests		(120)	(51)	(54)
Net cash outflow from returns on investments and servicing of finance		(1,602)	(1,492)	(359)
Taxation		(1,811)	(561)	(287)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(3,332)	(3,071)	(1,651)
Sale of tangible fixed assets		52	59	44
Purchase of intangible fixed assets		—	—	(55)
Acquisition of trade investments		(74)	(36)	—
Net cash (outflow) for capital expenditure and financial investment		(3,354)	(3,048)	(1,662)
Acquisitions and disposals				
Proceeds from the disposal of subsidiary undertakings		—	—	20,020
Proceeds from disposal of unincorporated businesses		137	—	—
Disposal expenses		—	—	(796)
Cash disposed of on disposal of subsidiary undertakings		—	—	(6,662)
Net cash inflow from disposal of subsidiary undertakings/unincorporated businesses	34,35	137	—	12,562
Purchase of additional investment in subsidiary undertakings	36	(491)	—	(515)
Net cash (outflow)/inflow for acquisitions and disposals		(354)	—	12,047
Equity dividends paid to shareholders		—	(191)	—
Net cash inflow before financing		6,870	2,890	16,675
Financing				
Issue of ordinary share capital	22,23	—	65	105
Repayment of bank and other borrowings		(6,450)	(1,250)	(16,000)
Net cash outflow from financing		(6,450)	(1,185)	(15,895)
Increase in cash	32	420	1,705	780

5. Reconciliation of movements in Group shareholders' funds

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Profit/(loss) for the financial year	2,123	(8,628)	16,104
Dividends	(191)	—	—
New share capital issued	—	65	105
Net increase/(decrease) in shareholders' funds	1,932	(8,563)	16,209
Opening shareholders' (deficit)/funds	(2,013)	(81)	(8,644)
Closing shareholders' funds/(deficit)	(81)	(8,644)	7,565

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 incorporate that of Centaur 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.

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 improvements	-	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 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 to be received from the employee, 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.

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, by source of revenue, by established activities and new products. 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*		
	2001	*2002*	*2003*	*2001*	*2002*	*2003*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Marketing, creative and new media	30,460	23,935	23,278	8,821	3,723	3,706
Legal and financial	27,418	26,546	23,015	4,530	2,756	3,334
Engineering and construction	10,467	11,526	9,993	(1,417)	(1,291)	(671)
Other	8,175	6,694	6,359	(92)	460	159
	76,520	68,701	62,645	11,842	5,648	6,528

Analysis by source of revenue

	Turnover			*Adjusted EBITDA*		
	2001	*2002*	*2003*	*2001*	*2002*	*2003*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Printed products	55,179	41,595	36,149	12,400	4,085	3,765
Electronic products	9,801	11,878	8,252	(2,448)	(697)	243
Exhibitions and conferences	10,511	13,510	16,904	1,287	1,768	2,133
Other	1,029	1,718	1,340	603	492	387
	76,520	68,701	62,645	11,842	5,648	6,528

Analysis by established products, new products and discontinued products

	Turnover			*Adjusted EBITDA*		
	2001	*2002*	*2003*	*2001*	*2002*	*2003*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Established products	61,484	59,275	60,573	17,426	10,144	7,043
New products	10,076	4,052	1,422	(5,104)	(4,336)	(388)
Discontinued products	4,960	5,374	650	(480)	(160)	(127)
	76,520	68,701	62,645	11,842	5,648	6,528

A product is regarded as new until the earlier of three years from date of launch or acquisition and the end of a three-month consecutive period of positive adjusted EBITDA for that product. 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*

	2001	*2001*	*2001*
	Continuing	*Discontinued*	*Total*
	£'000	*£'000*	*£'000*
Cost of sales	39,050	3,591	42,641
Distribution costs	4,525	64	4,589
Administrative expenses	21,032	1,974	23,006

	2002 Continuing £'000	*2002 Discontinued £'000*	*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

	2003 Continuing £'000	*2003 Discontinued £'000*	*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

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

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

	2001 £'000	*2002 £'000*	*2003 £'000*
Staff costs (note 6)	27,343	28,773	26,820
Profit on disposal of subsidiary undertakings (note 35)	—	—	(15,385)
Costs arising from reorganisation (note 35)	—	—	1,777
Exceptional administrative costs (note 5)	2,428	243	—
Goodwill impairment (note 12)	—	8,823	—
Leasehold property rentals	2,187	2,767	2,767
Other operating leases	210	198	198
Depreciation of tangible fixed assets (note 13)	2,255	2,523	2,836
Amortisation of goodwill (note 12)	875	885	245
Loss on disposal of trade investment	10	—	—
Loss/(profit) on disposal of fixed assets	3	(23)	11
Auditors' remuneration:			
— audit services	92	79	76
— non-audit services (2001: of this £702,000 is included in the exceptional administrative expenses below)	707	13	—

5. *Exceptional administrative expenses*

Exceptional administrative expenses relate to continuing operations and comprise:

	2001 £'000	*2002 £'000*	*2003 £'000*
Provision for onerous property leases	—	243	—
Professional fees incurred in respect of long term financing review	1,663	—	—
Amounts payable under executive incentive schemes	765	—	—
	2,428	243	—

6. Employees and directors

Staff costs

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Wages and salaries	24,516	25,801	23,893
Social security costs	2,472	2,540	2,460
Other pension costs	355	432	467
	27,343	28,773	26,820

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

	2001	*2002*	*2003*
	No.	*No.*	*No.*
Editorial	227	223	175
General administration/service departments	335	349	297
Production	54	54	59
Sales	273	231	203
	890	856	735

Directors' emoluments

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Aggregate emoluments	510	662	569
Pension contributions to money purchase schemes	70	74	63
	580	736	632

The remuneration of the directors is as follows:

2003	*Basic salary and fees £'000*	*Benefits £'000*	*Performance related bonus £'000*	*Pension contributions £'000*	*Total £'000*
Executive directors					
GV Sherren	333	8	—	38	379
GTD Wilmot	161	3	50	25	239
BTR Scruby	4	—	—	—	4
Non-executive directors					
CRE Brooke	3	—	—	—	3
EM Cullman (Snr)	4	—	—	—	4
FM Danziger	3	—	—	—	3
	508	11	50	63	632

2002	Basic salary and fees £'000	Benefits £'000	Performance related bonus £'000	Pension contributions £'000	Total £'000
Executive directors					
GV Sherren	311	5	135	50	501
GTD Wilmot	158	2	35	24	219
BTR Scruby	5	—	—	—	5
Non-executive directors					
CRE Brooke	3	—	—	—	3
EM Cullman (Snr)	4	—	—	—	4
FM Danziger	4	—	—	—	4
	485	7	170	74	736

2001	Basic salary and fees £'000	Benefits £'000	Performance related bonus £'000	Pension contributions £'000	Total £'000
Executive directors					
GV Sherren	298	4	25	45	372
GTD Wilmot	151	2	—	25	178
BTR Scruby	4	—	—	—	4
Non-executive directors					
CRE Brooke	4	—	—	—	4
EM Cullman (Snr)	4	—	—	—	4
FM Danziger	8	—	—	—	8
JJ Veronis	4	—	—	—	4
N Stapleton	6	—	—	—	6
	479	6	25	70	580

During the year ended 30 June 2003 two directors (2002: two, 2001: two) participated in money purchase pension schemes. Included in the above are invoices from Data Financial Services Limited to Centaur amounting to £94,992 (2002: £129,992; 2001: £94,992) for investment advisory services of BTR Scruby and £4,050 (2002: £5,050; 2001: £4,050) for director's fees.

The following directors have been granted options to subscribe for ordinary shares (Class D) of 10p each in Centaur under executive share option schemes:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 03
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

In August 2002, BTR Scruby exercised 50,000 share options at 100p each. No options were exercised during the two years ended 30 June 2002.

Highest paid director

	2001 £'000	2002 £'000	2003 £'000
Aggregate emoluments	327	451	341
Pension contributions to money purchase scheme	45	50	38
	372	501	379

7. Interest receivable and similar income

	2001 £'000	2002 £'000	2003 £'000
Interest on bank deposits	67	46	52
Interest on taxation	—	—	5
	67	46	57

8. Interest payable and similar charges

	2001 £'000	2002 £'000	2003 £'000
Interest on bank loans and overdrafts	1,549	1,229	722
Amortisation of borrowings issue costs	43	220	213
	1,592	1,449	935

9. Tax on profit/(loss) on ordinary activities

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

	2001 £'000	2002 £'000	2003 £'000
UK corporation tax at 30% (2002: 30%; 2001: 30%)			
— current year	2,231	371	543
— over provision in previous periods	—	(208)	(416)
	2,231	163	127
Deferred taxation			
— current year (origination and reversal of timing differences)	199	335	(311)
— adjustment in respect of prior years	—	(140)	289
	199	195	(22)
	2,430	358	105
Tax on profit/(loss) on ordinary activities			
UK corporation tax	2,231	163	127
Deferred tax	199	195	(22)
	2,430	358	105
Balance sheet			
Deferred liability (note 20)	(74)	(269)	(247)

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

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Credit on loss on disposal of business	—	—	—
Charge on profit on disposal of subsidiary undertakings	—	—	—
Credit on costs arising from reorganisation	—	—	(533)
	—	—	(533)

(b) Factors affecting current tax charge

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Profit/(loss) on ordinary activities before tax	4,654	(8,229)	16,177
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 2003: 30% (2002: 30%; 2001: 30%)	1,396	(2,469)	4,854
Effects of:			
Expenses not deductible for tax purposes	832	3,174	164
Capital allowances for the period less than/(in excess of) depreciation	(10)	(77)	127
Utilisation of tax losses	3	(135)	(145)
Adjustments to tax charge in respect of previous periods	—	(208)	(416)
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	10	(122)	19
Current tax charge for the period	2,231	163	127

The Group is entitled to full exemption from Corporation Tax on capital gains arising on disposal of subsidiary undertakings.

10. Dividends

Centaur has declared the following dividend:

		2001	*2002*	*2003*
		£'000	*£'000*	*£'000*
Class A Shares	2.11 pence per share	35	—	—
Class B Shares	1.44 pence per share	78	—	—
Class C Shares	1.44 pence per share	78	—	—
		191	—	—

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

11. Earnings per share

The calculation of earnings per ordinary share is based on earnings, of £16,104,000 (2002: £(8,628,000); 2001: £2,123,000) and on 15,408,289 (2002: 15,374,756; 2001: 15,324,548) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The diluted earnings per share is based on earnings of £16,104,000 (2002: £(8,628,000)); 2001: £2,123,000 and on 16,893,339 (2002: 16,891,478; 2001: 16,898,495) ordinary shares, being the weighted average number of ordinary shares in issue during the year, after allowing for the potential dilutive ordinary shares, calculated as follows:

	2001	*2002*	*2003*
	No.	*No.*	*No.*
Basic weighted average number of shares	15,324,548	15,374,756	15,408,289
Dilutive potential ordinary shares			
— Directors' and employee share options (note 22)	1,573,947	1,516,722	1,485,050
	16,898,495	16,891,478	16,893,339

12. Intangible fixed assets

	Goodwill
	£'000
Cost:	
At 1 July 2000	16,639
Additions	433
Disposals	(387)
At 30 June 2001 and at 30 June 2002	16,685
Additions	561
Disposals (note 35)	(84)
At 30 June 2003	17,162
Amortisation:	
At 1 July 2000	3,895
Disposals	(145)
Charge for the year	875
At 30 June 2001	4,625
Charge for the year	885
Impairment	8,823
At 30 June 2002	14,333
Amortisation on disposal (note 35)	(11)
Charge for the year	245
At 30 June 2003	14,567
Net book amount:	
At 30 June 2003	2,595
At 30 June 2002	2,352
At 30 June 2001	12,060

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.

13. Tangible fixed assets

	Leasehold improvements £'000	*Fixtures and fittings £'000*	*Computer equipment £'000*	*Motor vehicles £'000*	*Total £'000*
Cost:					
At 1 July 2000	669	2,207	9,887	554	13,317
Additions	251	329	2,564	188	3,332
Disposals	—	(1)	(1)	(164)	(166)
At 30 June 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
Depreciation:					
At 1 July 2000	220	996	5,101	272	6,589
Charge for the year	58	198	1,864	135	2,255
Disposals	—	(1)	—	(110)	(111)
At 30 June 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
Net book amount:					
At 30 June 2003	569	1,033	4,194	125	5,921
At 30 June 2002	709	1,226	6,164	163	8,262
At 30 June 2001	642	1,342	5,485	281	7,750

14. Investments

	Unlisted trade investments £'000
Cost and net book amount:	
At 1 July 2000	359
Additions	79
Disposals	(15)
At 30 June 2001	423
Additions	51
Disposals	(15)
At 30 June 2002 and 30 June 2003	459

Centaur holds 34 per cent. of the ordinary share capital of IPE International Publishers Limited. IPE International Publishers Limited is a company incorporated in England and Wales (company registration number 03233596). For the year ended 30 June 2002, IPE International Publishers Limited filed accounts at Companies House showing a retained profit on ordinary activities for the year of £31,582 (2001: profit £93,305) and the aggregate amount of capital and reserves of £278,151 (2001: £239,694).

In the opinion of the directors, as a result of the absence of representation on the Board of Directors of IPE International Publishers Limited, 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 2003

	Holding of ordinary shares		
	Group %	*Company* %	*Principal activity*
Chiron Communications Limited (formerly Oguz Press Limited)	100	100	Magazine publishing
Hali Publications Limited	100	69.6	Magazine publishing
Ascent Publishing Limited	100	100	Magazine publishing
IFA Events Limited	100	100	Exhibitions
Your Business Magazine Limited	100	100	Holding company
Perfect Information Limited	99.99	99.14	Financial information services
Mind Advertising Limited	50	50	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.

15. Stocks

	2001 £'000	*2002* £'000	*2003* £'000
Raw materials	60	35	39
Work in progress	533	503	1,217
Goods for resale	8	12	4
	601	550	1,260

16. Debtors

	2001 £'000	*2002* £'000	*2003* £'000
Amounts falling due within one year:			
Trade debtors	15,094	12,456	10,129
Other debtors	264	270	1,191
Prepayments and accrued income	1,096	1,489	1,605
	16,454	14,215	12,925
Amounts falling due after more than one year:			
Other debtors	—	—	833
	16,454	14,215	13,758

17. *Creditors: amounts falling due within one year*

	2001 £'000	2002 £'000	2003 £'000
Bank and other borrowings	1,972	2,039	44
Trade creditors	2,270	2,640	3,593
Corporation tax	763	410	538
Social security and other taxes	1,997	2,362	1,769
Other creditors	336	383	173
Accruals and deferred income	16,353	15,400	12,447
	23,691	23,234	18,564

18. *Creditors: amounts falling due after more one year*

	2001 £'000	2002 £'000	2003 £'000
Bank and other borrowings	15,125	13,787	—

19. *Bank and other borrowings*

	2001 £'000	2002 £'000	2003 £'000
Revolving credit facility	8,500	—	—
Term loan	8,750	16,000	—
Issue costs of term loan	(300)	(258)	—
	16,950	15,742	—
Amortisation of issue costs	125	45	—
	17,075	15,787	—
Unamortised issue costs	258	213	—
The principal amounts of these borrowings are repayable as follows:			
Within 1 year:			
Term loan	1,950	2,000	—
Between 1 and 2 years:			
Revolving credit facility	1,700	—	—
Term loan	2,600	4,000	—
Between 2 and 5 years:			
Revolving credit facility	6,800	—	—
Term loan	4,200	10,000	—

During the year ended 30 June 2003 the Term Loan amounting to £16,000,000 was redeemed in full but is available to be redrawn if necessary to finance future investment. Following this repayment, issue costs of £213,000 were written off as financing costs in the profit and loss account.

The Term Loan was granted on 14 December 2001 and is guaranteed by Centaur's subsidiaries, Chiron Communications Limited (formerly Oguz Press Limited), Ascent Publishing Limited, Hali Publications Limited, I.F.A. Events Limited, Perfect Information Limited, and Your Business Magazine Limited. It would be repayable in quarterly instalments ending 14 March 2007 if this facility were to be utilised. The interest rate would be calculated by reference to a formula and approximates to 5.04 per cent. per annum. The term loan facility is withdrawn in the event of a change of control.

The Revolving Credit Facility was granted on 14 December 2001 and was guaranteed by Centaur's subsidiaries, Chiron Communications Limited (formerly Oguz Press Limited), Ascent Publishing Limited, Hali Publications Limited, I.F.A. Events Limited, Perfect Information Limited, and Your Business Magazine Limited. The maximum facility allowed was £4,000,000 for a period ending on 14 December 2002. The interest rate was calculated by reference to a formula and approximated to 5.04 per cent. per annum. The Revolving Credit Facility is withdrawn in the event of a change of control.

Both of the above cross guarantees are 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, 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.

20. Provisions for liabilities and charges

	Deferred tax (note 22)	*Onerous interest rate swap contract £'000*	*Restructuring provisions £'000*	*Total £'000*
At 1 July 2000	(125)	—	—	(125)
Charge for the year	199	—	—	199
At 30 June 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

Within the restructuring provision the Group provided against future liabilities for all long-term idle properties.

21. Deferred tax

The deferred tax liability in the Group comprises the following amounts:

	2001 £'000	*2002 £'000*	*2003 £'000*
Accelerated capital allowances	(65)	(3)	298
Tax losses carried forward	1,086	922	567
Other timing differences	(1,095)	(1,188)	(1,112)
Deferred tax asset/(liability)	(74)	(269)	(247)
At 1 July 2000			125
Movement for the year			(199)
At 30 June 2001			(74)
Movement for the year			(195)
At 30 June 2002			(269)
Movement for the year			22
At 30 June 2003			(247)

Unrecognised deferred tax assets comprise the following amounts:

	2001 £'000	2002 £'000	2003 £'000
Tax losses carried forward	15	16	23
Other timing differences	1,980	1,657	1,657
	1,995	1,673	1,680

22. Called up share capital

	2001 £'000	2002 £'000	2003 £'000
Authorised:			
50,000,000 ordinary shares of 10p each	5,000	5,000	5,000

Allotted, called up and fully paid:	
Ordinary shares of 10p each	
As at 1 July 2000 (15,324,257 shares)	1,532
Allotted under share option scheme (500 shares)	—
As at 30 June 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
Allotted under share option scheme (104,400 shares)	10
As at 30 June 2003 (15,494,157 shares)	1,549

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

During the year employees of the Group exercised their options over ordinary shares in Centaur at a price of £1.00 per share as follows:

Date of exercise	*Number of shares*
November 2000	500
August 2001	15,000
September 2001	50,000
	65,000
July 2002	48,400
August 2002	50,000
September 2002	6,000
	104,400

At 30 June 2003 options had been granted and agreed to be granted to certain directors and employees to subscribe for a total of 1,855,496 ordinary shares of 10p each as follows:

	Approved options granted at £1 15/08/96	*Unapproved options granted at £1 15/08/96*	*Unapproved options granted at £1 17/04/97*	*Unapproved options granted at £1 14/08/97*	*Unapproved options granted at £3.60 04/06/98*	*Unapproved options granted at £1 08/10/98*
Expiry	*14/08/06*	*14/08/06*	*16/04/04*	*13/08/04*	*03/06/05*	*07/10/03*
Directors						
GV Sherren	—	—	58,568	546,589	102,626	—
GTD Wilmot	—	—	—	—	—	—
Total employees	310,640	36,800	—	206,240	—	50,000
	310,640	36,800	58,568	752,829	102,626	50,000

	Unapproved options granted at £3.60 08/10/98	*Unapproved options granted at £5 30/09/02*	*Unapproved options granted at £1 28/08/03*	*Unapproved options granted at £3.60 28/08/03*	*Unapproved options granted at £5 28/08/03*
Expiry	*07/10/05*	*29/09/09*	*16/04/07*	*13/08/07*	*03/06/08*
Directors					
GV Sherren	—	—	—	—	—
GTD Wilmot	100,000	—	—	—	—
Total employees	—	150,000	22,889	227,064	44,080
	100,000	150,000	22,889	227,064	44,080

23. Share premium account

	2001 *£'000*	*2002* *£'000*	*2003* *£'000*
As at 1 July	13,378	13,378	13,436
Premium on shares issued during the year under share option scheme	—	58	95
As at 30 June	13,378	13,436	13,531

24. Capital redemption reserve

	2001 *£'000*	*2002* *£'000*	*2003* *£'000*
At 1 July and 30 June	483	483	483

25. Profit and loss account

	£'000
At 1 July 2000	(17,406)
Retained profit for the financial year	1,932
At 30 June 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)

At 30 June 2003, £98,000 of goodwill remained eliminated directly against the profit and loss account reserve. This will be charged to the profit and loss account in the period in which disposal of the related business is made.

Of Centaur's profit and loss account at 30 June 2003 £836,000 is regarded as being available for distribution. In addition, a further £14,338,000 may become available for distribution if dividends are declared and paid up to Centaur by subsidiaries.

26. Operating lease commitments

	Land and buildings			*Equipment*		
	2001	*2002*	*2003*	*2001*	*2002*	*2003*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
On leases expiring:						
— within 1 year	22	38	—	—	7	—
— between 2 and 5 years	38	194	182	211	192	188
— after 5 years	2,671	2,495	2,497	—	—	—
	2,731	2,727	2,679	211	199	188

27. 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 £61,000 (2002: £48,000; 2001: £5,000) payable in respect of the money purchase pension schemes.

28. Capital commitments

The Group had no capital commitments at 30 June 2001, 30 June 2002 and 30 June 2003.

29. Contingent liabilities

Centaur, 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.

30. Equity minority interests

	£'000
At 1 July 2000	134
Share of net income for the year	101
Additional investment in I.F.A. Events Limited	(58)
Dividend paid	(120)
At 30 June 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)

31. Net cash inflow from operating activities

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

	2001	*2002*	*2003*
	£'000	*£'000*	*£'000*
Operating profit/(loss)	6,284	(6,826)	3,447
Depreciation of tangible fixed assets (note 13)	2,255	2,523	2,836
Amortisation of goodwill (note 12)	875	885	245
Exceptional item – impairment of goodwill	—	8,823	—
Loss/(profit) on disposal of fixed assets	3	(23)	11
Loss on disposal of trade investment	10	—	—
(Increase)/decrease in stocks	(138)	51	(710)
Decrease in debtors	3,982	2,239	1,332
Increase in creditors	720	65	607
(Decrease)/increase in provisions	—	445	(832)
Net cash inflow from operating activities	13,991	8,182	6,936

32. Analysis of movement in net debt

	At 1 July 2000	*Cash flow*	*Other non-cash changes*	*At 30 June 2001*
	£'000	*£'000*	*£'000*	*£'000*
Cash at bank and in hand	1,136	442	—	1,578
Bank overdraft	—	(22)	—	(22)
Debt due within 1 year	(1,950)	1,950	(1,950)	(1,950)
Debt due after 1 year	(21,532)	4,500	1,907	(15,125)
	(23,482)	6,428	(43)	(17,097)
	(22,346)	6,870	(43)	(15,519)

	At 1 July 2001	*Cash flow*	*Other non-cash changes*	*At 30 June 2002*
	£'000	*£'000*	*£'000*	*£'000*
Cash at bank and in hand	1,578	1,722	—	3,300
Bank overdraft	(22)	(17)	—	(39)
Debt due within 1 year	(1,950)	1,950	(2,000)	(2,000)
Debt due after 1 year	(15,125)	(700)	2,038	(13,787)
	(17,097)	1,233	38	(15,826)
	(15,519)	2,955	38	(12,526)

	At 1 July 2002 £'000	Cash flow £'000	Other non-cash changes £'000	At 30 June 2003 £'000
Cash at bank and in hand	3,300	785	—	4,085
Bank overdraft	(39)	(5)	—	(44)
Debt due within 1 year	(2,000)	2,000	—	—
Debt due after 1 year	(13,787)	14,000	(213)	—
	(15,826)	15,995	(213)	(44)
	(12,526)	16,780	(213)	4,041

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

	2001 £'000	2002 £'000	2003 £'000
Increase in cash in the year:	442	1,722	785
Cash outflow from changes in debt	6,428	1,233	15,995
Change in net debt resulting from cash flows	6,870	2,955	16,780
Other movements	(43)	38	(213)
Movement in net debt in the year:	6,827	2,993	16,567
Net debt at 1 July	(22,346)	(15,519)	(12,526)
Net debt at 30 June	(15,519)	(12,526)	4,041

34. Disposal of business

On 5 October 2000, the Group disposed of the business of EXE for a cash consideration of £137,000 giving rise to a loss of £105,000.

35. 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	*Consultancy Europe Associates Limited*	*Total*
	£'000	*£'000*	*£'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 12)	—	(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 £1,390,000 remained provided for at the year end (note 21).

(b) During the year ended 30 June 2003, the Group also sold the business of 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.

	2001	*2002*	*2003*
	£'000	*£'000*	*£'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)

36. Acquisitions

During the year ended 30 June 2001, the Group made the following acquisitions:

	Mind Advertising Limited[(a)] *£'000*	*I.F.A. Events Limited*[(b)] *£'000*	*I.F.A. Events Limited*[(c)] *£'000*	*Total* *£'000*
Tangible fixed assets	3	28	26	57
Stocks	—	60	54	114
Debtors	9	293	452	754
Cash at bank and in hand	4	103	283	390
Creditors: amounts falling due within one year	(15)	(344)	(583)	(942)
	1	140	232	373
Minority interests	(1)	(126)	(188)	(315)
Group share of net assets acquired	—	14	44	58
Goodwill	50	137	246	433
Consideration	50	151	290	491
Satisfied by:				
Cash	50	151	290	491

The following information relates to acquisitions during the year ended 30 June 2001:

(a) Mind Advertising Limited

On 27 July 2000, the Group acquired 50 per cent. of the assets and liabilities of Mind Advertising Limited for a consideration of £50,000. 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.

(b) I.F.A. Events Limited

On 18 October 2000, the Group acquired a further 10 per cent. of the issued share capital of I.F.A. Events Limited for a consideration of £151,000, increasing the shareholding for the Group from 51 per cent. to 61 per cent. 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) I.F.A. Events Limited

On 3 May 2001, the Group acquired a further 19 per cent. of the issued share capital of I.F.A. Events Limited for a consideration of £290,000. 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.

During the year ended 30 June 2003 the Group made the following acquisitions:

	Perfect Information Limited[a] *£'000*	*I.F.A. Events Limited*[b] *£'000*	*Market Research Exhibitions Limited*[c] *£'000*	*Total* *£'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 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 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 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.

37. Related party transactions

There were no transactions during the years ended 30 June 2001, 30 June 2002 and 30 June 2003 or balances at the respective year end with related parties.

38. Post balance sheet events

Subsequent to the year ended 30 June 2003 the Group acquired a 10 per cent. stake in Synergy Software Solutions Limited ("Synergy") for £100,000 as a trade investment. On 23 October 2003 the Group acquired the remaining 90 per cent. stake in Synergy for a further consideration of £980,423. Synergy is a supplier of online analytical solutions to the financial services sector and will be integrated with Perfect Information Limited's existing online regulatory filings business. The Group also provided Synergy with a loan of £150,000 to enable Synergy to meet its working capital requirements. The loan is interest free and is repayable within one year. Deferred consideration is payable by the Group in respect of the acquisition of Synergy. This is calculated based upon either: six times the average annual operating profit of Synergy over the two years ending 30 June 2005; four times the average annual operating profit of Synergy over the two years ending 30 June 2006; or two and a half times the average annual operating profit of Synergy over the two years ending 30 June 2007. The decision as to which period to be used is at the election of the vendor.

On 12 December 2003, the Group disposed of its 50 per cent. stake in Mind Advertising Limited for a consideration of £1.

Yours faithfully

Ernst & Young LLP

PART 6

Unaudited Consolidated Interim Accounts for Centaur for the six months ended 31 December 2003

Consolidated profit and loss account for the 6 months ended 31 December 2003

	Note	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*	*Audited 12 months to 30 June 2003 £'000*
Turnover				
– continuing activities	2	28,394	27,079	61,995
– acquisitions	6	194	—	—
– discontinued activities		—	650	650
		28,588	27,729	62,645
Cost of sales		(16,426)	(16,346)	(35,743)
Gross profit		12,162	11,383	26,902
Distribution costs		(2,089)	(2,074)	(4,254)
Administrative expenses		(10,830)	(9,693)	(19,201)
Adjusted EBITDA	2	1,074	1,195	6,655
Depreciation of tangible fixed assets		(1,391)	(1,330)	(2,835)
Amortisation of goodwill		(165)	(121)	(245)
Exceptional administrative costs	3	(275)	—	—
Operating (loss)/profit				
– continuing activities		(517)	(256)	3,575
– acquisitions	6	(240)	—	—
Operating (loss)/profit on continuing activities		(757)	(256)	3,575
– discontinued activities		—	(128)	(128)
Total operating (loss)/profit		(757)	(384)	3,447
Profit on disposal of subsidiary undertakings	4	6	15,385	15,385
Costs arising from reorganisation	4	—	(1,777)	(1,777)
(Loss)/profit on ordinary activities before interest		(751)	13,224	17,055
Interest receivable and similar income		151	108	244
Interest payable and similar charges		(43)	(1,091)	(1,122)
(Loss)/Profit on ordinary activities before taxation		(643)	12,241	16,177
Tax on (loss)/profit on ordinary activities	5	106	(400)	(671)
(Loss)/Profit on ordinary activities after taxation		(537)	11,841	15,506
Equity minority interests		—	3	32
Retained (loss)/profit for the period		(537)	11,844	15,538

Adjusted EBITDA is calculated as operating (loss)/profit from continuing activities excluding depreciation and amortisation and exceptional administrative costs (see note 3).

Consolidated balance sheet at 31 December 2003

	Note	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*	*Audited 12 months to 30 June 2003 £'000*
Fixed assets				
Intangible fixed assets		6,749	2,612	2,595
Tangible fixed assets		5,783	6,658	5,921
Investments		184	459	459
		12,716	9,729	8,975
Current assets				
Stocks		2,091	1,153	1,260
Debtors	7	12,597	12,269	12,925
Debtors due after more than one year	7	416	833	833
		13,013	13,102	13,758
Cash at bank and in hand		4,886	1,051	4,085
		19,990	15,306	19,103
Creditors: amounts falling due within one year	8	(21,588)	(17,499)	(18,564)
Net current (liabilities)/assets		(1,598)	(2,193)	539
Total assets less current liabilities		11,118	7,536	9,514
Creditors: amounts falling due after more than one year	9	—	(600)	—
Provisions for liabilities and charges	10	(4,040)	(3,084)	(1,997)
		7,078	3,852	7,517
Capital and reserves				
Called up share capital		1,554	1,549	1,549
Share premium account		13,576	13,531	13,531
Capital redemption reserve		483	483	483
Profit and loss account		(8,535)	(11,692)	(7,998)
Equity shareholders' funds	11	7,078	3,871	7,565
Equity minority interests		—	(19)	(48)
		7,078	3,852	7,517

Consolidated cash flow statement for the 6 months ended 31 December 2003

	Note	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*	*Audited 12 months to 30 June 2003 £'000*
Net cash inflow from operating activities	12	2,940	2,261	6,936
Returns on investments and servicing of finance				
Interest received		151	25	57
Interest paid		(43)	(285)	(362)
Dividends paid to minority interests		—	(54)	(54)
Net cash inflow/(outflow) from returns on investments and servicing of finance		108	(314)	(359)
Taxation		(316)	(276)	(287)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(1,087)	(832)	(1,651)
Sale of tangible fixed assets		11	35	44
Purchase of intangible fixed assets		(6)	—	(55)
Net cash outflow for capital expenditure and financial investment		(1,082)	(797)	(1,662)
Acquisitions and disposals				
Proceeds from the disposal of subsidiary undertakings		—	20,020	20,020
Acquisition/Disposal expenses paid		(86)	(796)	(796)
Cash at bank and in hand acquired with subsidiary undertakings		(53)	—	—
Cash at bank and in hand disposed with subsidiary undertakings		49	(6,662)	(6,662)
Purchase of additional investment in subsidiary undertakings		(1,102)	(461)	(515)
Net cash (outflow)/inflow from acquisitions and disposals		(1,192)	12,101	12,047
Equity dividends paid to shareholders		—	—	—
Net cash inflow before financing		458	12,975	16,675
Financing				
Issue of ordinary share capital		50	105	105
Repayment of bank and other borrowings		—	(15,400)	(16,000)
Net cash inflow/(outflow) from financing		50	(15,295)	(15,895)
Increase/(decrease) in cash	13	508	(2,320)	780

Notes to Interim Financial Statements

1. Accounting policies and basis of preparation

The interim financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the financial year ended 30 June 2003. The preceding unaudited financial information does not constitute statutory accounts as defined in Section 240 of the United Kingdom Companies Act 1985.

The full year comparative financial information is based on the statutory accounts for the financial year ended 30 June 2003. These accounts, upon which the auditors have issued an unqualified opinion, have been delivered to the Registrar of Companies.

2. Segmental reporting

Set out below are analyses of turnover and adjusted EBITDA of the Group by the communities it serves, by source of revenue and by established activities and new products.

Analysis by community	*Turnover from continuing activities*		*Adjusted EBITDA*	
	Unaudited 6 months to 31 December 2003 £'000	*Unaudited 6 months to 31 December 2002 £'000*	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*
Marketing , Creative and New Media	10,789	10,472	674	1,117
Legal and Financial	8,047	8,291	451	881
Engineering and Construction	5,140	4,096	(247)	(1,061)
Other	4,612	4,220	196	258
	28,588	27,079	1,074	1,195

Analysis by source of revenue	*Turnover from continuing activities*		*Adjusted EBITDA*	
	Unaudited 6 months to 31 December 2003 £'000	*Unaudited 6 months to 31 December 2002 £'000*	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*
Printed products	16,599	17,354	1,381	1,188
Electronic products	4,653	3,726	(48)	74
Exhibitions, conferences and events	6,751	5,413	(181)	(97)
Other	585	586	(78)	30
	28,588	27,079	1,074	1,195

Analysis by established activities, new products and discontinued products	*Turnover from continuing activities*		*Adjusted EBITDA*	
	Unaudited 6 months to 31 December 2003 £'000	*Unaudited 6 months to 31 December 2002 £'000*	*Unaudited 6 months to 31 December 2003 £'000*	*Unaudited 6 months to 31 December 2002 £'000*
Established products	28,159	26,883	1,427	1,548
New products	429	196	(353)	(353)
	28,588	27,079	1,074	1,195

A product is regarded as new until the earlier of 3 years from date of launch or acquisition and the end of a 3-month consecutive period of positive adjusted EBITDA for that product. Substantially all net assets are located and all turnover and adjusted EBITDA are generated in the United Kingdom.

3. Exceptional administrative expenses

The exceptional administrative cost relates to investments.

A review of the carrying value of unlisted trade investments at December 31 2003 has resulted in an impairment provision of £275,000.

4. Disposal of Subsidiary undertaking

In August 2002, the Group 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, 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 £1,116,000 remained provided for at 31 December 2003 (note 10).

5. Taxation

The tax (charge)/credit for the period has been calculated on the basis of the expected effective tax rate for the full year.

6. Acquisitions

On 21 July 2003 the Group acquired 10 per cent. of the share capital of Synergy Software Solutions Limited ("Synergy") and on 23 October 2003 the Group acquired the remaining 90 per cent. of the share capital for a total consideration of £980,423. In addition deferred consideration is payable based on the operating profits of Synergy up to 30 June 2007. At 31 December 2003 a provision of £2,500,000 is held as the directors' best estimate of the deferred consideration payable (note 10).

7. Debtors

	December 2003 £'000	December 2002 £'000	June 2003 £'000
Amounts falling due within one year:			
Trade debtors	10,091	9,620	10,129
Other debtors	755	1,282	1,191
Corporation tax	—	129	—
Prepayments and accrued income	1,751	1,238	1,605
	12,597	12,269	12,925
Amounts falling due after more than one year:			
Other debtors	416	833	833
	13,013	13,102	13,758

8. Creditors: amounts falling due within one year

	December 2003 £'000	December 2002 £'000	June 2003 £'000
Bank and other borrowings	337	110	44
Trade creditors	3,182	2,036	3,593
Corporation tax	118	—	538
Social security and other taxes	2,197	1,895	1,769
Other creditors	625	151	173
Accruals and deferred income	15,129	13,307	12,447
	21,588	17,499	18,564

9. Creditors: amounts falling due after more than one year

	December 2003 £'000	December 2002 £'000	June 2003 £'000
Bank and other borrowings	—	600	—

10. Provisions for liabilities and charges

	Unaudited 6 months to 31 December 2003 £'000	Unaudited 6 months to 31 December 2002 £'000	Audited 12 months to 30 June 2003 £'000
Deferred tax	272	654	247
Onerous swap contract	152	464	360
Restructuring (note 3)	1,116	1,966	1,390
Deferred acquisition consideration (note 5)	2,500	—	—
	4,040	3,084	1,997

In 2001 the company 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. 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.

11. Reconciliation of movements in equity shareholders' funds

	Unaudited 6 months to 31 December 2003 £'000	*Unaudited 6 months to 31 December 2002 £'000*	*Audited 12 months to 30 June 2003 £'000*
(Loss)/profit for the financial period	(537)	11,844	15,538
New share capital issued	5	10	10
Share premium increase	45	95	95
Net (decrease)/increase in shareholders' funds	(487)	11,949	15,643
Opening shareholders' funds/(deficit)	7,565	(8,078)	(8,078)
Closing shareholders' funds	7,078	3,871	7,565

12. Net cash inflow from operating activities

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

	December 2003 £'000	*December 2002 £'000*	*June 2003 £'000*
Operating (loss)/profit	(757)	(384)	3,447
Depreciation of tangible fixed assets	1,391	1,330	2,836
Amortisation of goodwill	165	121	245
Exceptional item impairment of investment	275		
(Profit)/loss on disposal of fixed assets	(4)	(12)	11
Increase in stocks	(829)	(603)	(710)
Decrease in debtors	749	1,834	1,332
Increase in creditors	2,225	231	607
Decrease in provisions	(275)	(256)	(832)
Net cash inflow from operating activities	2,940	2,261	6,936

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

	December 2003 £'000	*December 2002 £'000*	*June 2003 £'000*
Increase/(decrease) in cash in the year	508	(2,320)	780
Cash outflow from changes in debt	—	15,400	16,000
Change in net debt resulting from cash flows	508	13,080	16,780
Movement in net debt in the year	508	13,080	16,780
Net opening debt (before issue costs)	4,041	(12,739)	(12,739)
Net closing debt (before issue costs)	4,549	341	4,041

PART 7

Pro Forma Statement of Net Assets

The unaudited pro forma statement of net assets set out below is for the purposes of illustration only and may not, because of its nature, give a true picture of the financial position of the Group. It is based on the consolidated balance sheet of the Group as at 30 June 2003 extracted without material adjustments from the Accountants' Report as set out in Part 5, adjusted to reflect the effects of the Acquisition and of the Placing as if the Acquisition and Placing had taken place on 30 June 2003.

	30 June 2003 *£'000*	*Proceeds and other adjustments* *£'000*	*Pro Forma Net Assets* *£'000*
Intangible fixed assets	2,595	139,176[1]	141,771
Tangible fixed assets	5,921	—	5,921
Investments	459	—	459
	8,975	139,176	148,151
Stocks	1,260	—	1,260
Debtors	12,925	—	12,925
Debtors due after more than one year	833	—	833
Cash at bank and in hand	4,085	134,175[2] (129,844)[3] 2,715[4] (9,331)[5]	1,800
	19,103	(2,285)	16,818
Creditors: amounts falling due in less than one year	(18,564)	—[6]	(18,564)
	539	(2,285)	(1,746)
Creditors: amounts falling due after more than one year	—	—[6]	—
Provisions for liabilities and charges	(1,997)	—	(1,997)
Net assets	7,517	136,891	144,408

Notes:

The pro forma net asset statement has been prepared on the following basis:

1. Goodwill arising on the acquisition of Centaur Communications Limited by Centaur Holdings plc, comprising consideration of £143.024 million, plus transaction expenses attributable to the acquisition of £4.665 million, plus the UITF 17 charge arising on the difference between the fair value of the options and the exercise price in respect of the options assumed to be rolled over of £1.719 million, less cash received on the exercise of other share options of £2.715 million, less the fair value of the net assets acquired of £7.517 million.
2. Gross proceeds received from the Placing of £134.175 million.
3. Cash paid to the shareholders of Centaur Communications Limited of £129.844 million.
4. Cash received from option holders on the exercise of share options in Centaur Communications Limited of £2.715 million.
5. Payment of total transaction expenses of £9.331 million of which £4.665 million has been allocated to the cost of acquisition, the balance being set against the share premium arising.
6. The assumption that no loan notes are issued for the purpose of the pro forma statement of net assets.
7. It is assumed that the holders of 241,557 Centaur Options will agree to cancel these options in consideration for the grant of options over Ordinary Shares. All other Centaur Option holders are assumed to accept cash.
8. No adjustment has been made to reflect the trading results of the Group since 30 June 2003.

PART 8

Additional Information

1. Responsibility

The Directors and the Proposed Directors of the Company, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Proposed 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 there is no material information the omission of which is likely to affect the import of such information.

2. 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 re-registered with the name Centaur Holdings Limited and on 26 February 2004, re-registered as a public limited company with the name Centaur Holdings plc.

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

3. Share capital of the Company

(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 200,000 ordinary shares of £0.10 each and 800,000 deferred shares of £0.10 each have been issued, credited as fully paid.

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

(i) On 19 February 2004, each of 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 ordinary shares of £1.00 each were sub-divided into 2 ordinary shares of £0.50 each, each of the authorised but unissued shares were sub-divided into 10 ordinary shares of £0.10 each and the authorised share capital of the Company was increased to £20,080,000 by the creation of 199,996 ordinary shares of £0.50 each and 19,970,020 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 issued shares of £0.50 each in the capital of the Company were sub-divided into 1 Ordinary Share and 4 Deferred Shares.

(c) 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.

(d) With effect immediately upon Admission, and pursuant to the authority given by the resolution referred to above, up to 134,175,073 new Ordinary Shares will be allotted at the Placing Price pursuant to the Placing. 97,045,079 new Ordinary Shares will be allotted pursuant to the Share Purchase Agreement and up to 32,799,151 new Ordinary Shares will be allotted pursuant to the D Offer.

(e) The authorised share capital of the Company immediately following Admission will be £20,080,000 divided into 200,000,000 Ordinary Shares and 800,000 Deferred Shares, of which, assuming all outstanding Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised and all D Shareholders elect to receive cash under the D Offer, 147,994,118 Ordinary Shares and 800,000 Deferred Shares will have been issued, credited as fully paid.

(f) No commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries in the three years immediately preceding the date of this document.

(g) Application will be made for the Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares are not listed or traded on and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market. The Directors and the Proposed Directors intend to seek admission of the Ordinary Shares to the Official List following publication of the annual report and consolidated accounts for the Company for the period ending 30 June 2004.

(h) With effect from Admission, all of the Ordinary Shares will be in registered form and, subject to the Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.

(i) Up to 134,175,073 Ordinary Shares are being issued pursuant to the Placing at a price of £1.00 per Ordinary Share which represents a premium of £0.90 over their nominal value of £0.10 each. No expenses are being charged to any subscriber or purchaser.

(j) Save in connection with the Placing, the Share Purchase Agreement and the D Offer or to fulfil options granted under the Share Option Scheme or the Rollover Scheme described in paragraph 5 below there is no present intention to issue any share or loan capital in the Company following Admission.

(k) Save as set out in 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.

4. 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 18 of this Part 8.

The articles of association of the Company as adopted conditionally upon Admission (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.

A shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 212 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice) is served with a disenfranchisement notice. Such disentitlement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(b) ***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.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class after there has been a failure to comply with any notice under section 212 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to above.

(c) ***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.

(d) ***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 or 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.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to above) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

(i) a transfer in connection with a *bona fide* sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;

(ii) a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or

(iii) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(e) ***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.

(f) ***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 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 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.

(g) ***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).

(h) ***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.

(i) ***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.

(j) ***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.

(k) ***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.

(l) ***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 18 below.

5. Share Option Schemes

The Share Option Scheme

The Company intends to adopt the Share Option Scheme prior to Admission. The Share Option Scheme comprises an Inland Revenue approved scheme, for which approval will be sought from the Inland Revenue prior to Admission, with an unapproved schedule.

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

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 Approved 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.

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.

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.

Paragraph 15 of Part 1 of this document gives further details about the way in which options may be granted on Admission pursuant to the Share Option Scheme and the Rollover Scheme.

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, Centaur 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 Centaur 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 15 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.

6. Information on the Directors and Proposed Directors

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

Directors

Name	*Function*
Colin Morrison	Non-executive Director
Patrick Taylor	Non-executive Director

Proposed Directors

Name	*Function*
Graham Sherren	Executive Chairman and Chief Executive Officer
Geoffrey Wilmot	Chief Financial Officer
Thomas Scruby	Non-executive Director

(b) In addition to any directorship of a member of the Group, the Directors and Proposed 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*
Colin Morrison	Mark Allen Group Limited and Australian Consolidated Press (UK) Limited	The Future Network PLC and Axel Springer International Group Limited
Patrick Taylor	The Future Network PLC, Lowwood Products Limited, Nonstopski Limited	GWR Group plc, Independent Radio New Limited, Radio Advertising Bureau Limited
Graham Sherren	Hundred Acre Securities Limited Intype Libra Limited Linguaphone Group PLC Duplo International Limited Libra Document Solutions Limited	Network Publishing Limited Centaur Research Limited Rapport Publishing Limited Centaur Information Limited Gieves & Hawkes PLC Periodical Publishers Association Limited Chivers Communications Limited Lawtel Limited
Geoffrey Wilmot		Consultancy Europe Associates Limited
Thomas Scruby	Quester VCT PLC Quester VCT 2 PLC Linguaphone Group PLC 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 Contingency Planning Associates Limited Tarsus Group PLC Ribston Limited 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

(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 £3,000 over the last year.

(d) Save as set out in paragraphs 6(b) and 6(c) above none of the Directors or Proposed 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 or Proposed 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 recognised 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) In or about 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.

(iii) In or about 2000 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.

(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 from Capital Radio's board. 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.

7. Directors' and other interests

(a) In addition to the options referred to in paragraph 7(b) below, the interests (all of which are or will be beneficial unless otherwise stated) of each Director and Proposed Director (including any interest known to that Director and Proposed Director or which could with reasonable diligence be ascertained by him of any person connected with a Director within the meaning of section 346 of the Companies Act) (a "Connected Person") in the share capital of the Company at the date of this document and as they will be immediately following Admission are as follows:

Director	*Number of Ordinary Shares currently held*	*Percentage of issued share capital currently held*	*Number of Ordinary Shares to be held immediately following Admission*	*Percentage of enlarged issued share capital to be held immediately following Admission**
Colin Morrison	100,000	50%	100,000	0.07%
Patrick Taylor	100,000	50%	100,000	0.07%
Graham Sherren	—	—	6,907,531	4.61%
Geoffrey Wilmot	—	—	—	—
Thomas Scruby	—	—	232,385	0.16%

*These figures assume exercise of all outstanding Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) and all D Shareholders elect to receive cash under the D Offer.

(b) It is expected that options over Ordinary Shares in the Company will be granted to the following Proposed Directors under the Rollover Scheme described in paragraph 15 of Part 1 as follows

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

*Assuming that the market value of the Ordinary Shares at the date of grant is the Placing Price.

(c) Save as disclosed in paragraphs 7(a) and (b) above, none of the Directors, and Proposed Directors or 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 7(a) and (b) above, the Company is aware of the following persons who will be immediately following Admission, interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company:

Name	*Number of Ordinary Shares held immediately following Admission*	*Percentage of Ordinary Share Capital held after Admission**
Griffin Land & Nurseries Inc.	6,479,130	4.38%

*These figures assume exercise of all outstanding Options (other than those which holders of Centaur Options have been irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) and all D Shareholders elect to receive cash under the D Offer.

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

(f) Save as disclosed in paragraph 7 (g) below, no Director or Proposed 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) Pursuant to an option deed between Thomas Scruby and Centaur, Thomas Scruby could require Centaur to buy back his ordinary shares in Centaur in tranches at a price based on 12 times the

Group profit before interest and tax in the year in which the option is exercised. The parties have agreed to terminate this option deed upon Admission.

(h) 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 or Proposed Directors which are now outstanding.

8. Directors' and Proposed Directors' service agreements and remuneration

(a) ***Current Service Agreements***

Each of the Proposed Directors currently have service agreements with Centaur. The main details of their service agreements and current remuneration and benefits are set out below:

Name	*Job Title*	*Age*	*Start Date*	*Service (years)*	*Salary (£ per annum)*	*Bonus max. (per cent. of salary)*	*Leave (Days)*	*Notice period (months) Co.*	*Exec.*	*Car allowance (per year)*
Graham Sherren	Chairman and Chief Executive	66	01/03/82	21	£365,384	75	30	12	6	£28,000
Geoffrey Wilmot	Group Finance Director	50	01/12/98	5	£156,632	50	30	12	12	£19,000

Graham Sherren

Graham Sherren is also entitled to:

(i) company contributions of a sum equivalent to 17.5 per cent. of salary to a company pension scheme, expenses, life assurance to provide benefits of 7 times salary, a minimum payment of 12 months' remuneration to his estate if he dies in service, private health insurance (for him and his wife), permanent health insurance and accident insurance cover;

(ii) severance payments which apply in a range of circumstances, but which would not apply if his contract was terminated in the 30 days following the Acquisition. The severance payments are calculated by means of a complex formula, but as a minimum provide for a severance payment greater than 12 months' full remuneration, with no obligation to mitigate loss; and

(iii) reimbursement by Centaur of legal expenses in respect of any advice taken regarding his rights under his service contract.

Centaur may terminate Graham Sherren's service contract summarily in the event of (a) long term sickness lasting for a consecutive period of at least 365 days or (b) a serious or persistent breach of the agreement, the executive having been given reasonable opportunity to redress/ cease the breach.

Geoffrey Wilmot

In addition to the benefits described in the table above, Geoffrey Wilmot is entitled to company contributions of a sum equivalent to 17.5 per cent. of salary to a company pension scheme, life assurance, private health insurance (for him and his wife) and permanent health insurance.

Centaur may terminate Geoffrey Wilmot's service contract summarily in the event of (a) wilful breach of contract or wilfully neglecting to perform his duties, or (b) him being declared bankrupt or compounding with his creditors.

(b) ***Current Consultancy Arrangements***

Thomas Scruby

By virtue of an agreement for services between Centaur and Data Financial Services Limited ("DFSL"), it is agreed that DFSL will provide the personal services of Thomas Scruby, for a maximum of 96 days per annum. The amount of fees received in the year to 30 June 2003 by DFSL was £94,992. Thomas Scruby received £4,000 in that period in directors fees.

The DFSL contract is terminable by either party one month's notice. There are provisions prohibiting Thomas Scruby from engaging with any competing company or soliciting any employee during and for six months after the period of his consultancy.

(c) ***Proposed Service Agreements***

Graham Sherren

The existing service agreement between Graham Sherren and Centaur will be terminated upon Admission and replaced by a new service contract between the Company and Graham Sherren including the following terms:

Mr Sherren will be entitled to receive a fixed annual salary of £293,750.

He will be eligible in respect of the period to 30 June 2004 for a bonus up to a maximum of 75 per cent. of salary, payable by Centaur, in accordance with his pre-Admission contract with Centaur, on the achievement of specific performance related targets. In respect of the period from 1 July 2004 a bonus of up to a maximum of 75 per cent. of salary will be payable at the discretion of the Company on the achievement of specific performance related targets (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 will be payable to Mr Sherren and he will be reimbursed reasonable expenses only (but not personal legal expenses). He will be 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.

Notice periods will be 12 months either way and the Company has the right to place him on garden leave following the giving of notice by either party. He has undertaken not to solicit certain senior staff, key customers, or key suppliers for 6 months after termination of employment.

None of the other key benefits in his existing service contract as summarised above (save for annual leave and the bonus in respect of the period to 30 June 2004 as detailed above) will continue.

Geoffrey Wilmot

The existing service contract between Geoffrey Wilmot and Centaur will be terminated upon Admission and replaced by a new service contract between Centaur and Geoffrey Wilmot including the following terms:

Mr Wilmot will be entitled to receive a fixed annual salary of £156,632 subject to review in summer 2004.

He will be eligible in respect of the period to 30 June 2004 for a bonus up to a maximum of 50 per cent. of salary, payable by Centaur, in accordance with his pre-Admission contract with Centaur, on the achievement of specific performance related targets. In respect of the period from 1 July 2004 a bonus of up to a maximum of 75 per cent. of salary will be payable at the discretion of Centaur on the achievement of specific performance related targets (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 will be payable to Mr Wilmot and reasonable expenses only will be 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 will be provided with life assurance, permanent health insurance, and private health insurance to match his pre-Admission benefits with Centaur (subject to the rules of the relevant schemes).

Notice periods will be 12 months either way and Centaur has the right to place him on garden leave following the giving of notice by either party. He has undertaken not to solicit certain senior staff, key customers, or key suppliers for six months after termination of employment.

None of the other key benefits in his existing service contract as summarised above (save for annual leave and the bonus in respect of the period to 30 June 2004 as detailed above) will continue.

(d) ***Proposed Arrangements for Non-Executive Directors***

Patrick Taylor and Colin Morrison

The following arrangements will, with effect from and conditional on Admission, be put in place under the terms of engagement dated 27 February 2004 between the Company and each of Patrick Taylor and Colin Morrison.

Each will receive 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).

Each will receive 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.

In addition, each will receive a further one-off payment, within 14 days of Admission, of £40,000 in respect of their work in connection with Admission and the Acquisition.

Thomas Scruby

The following arrangements will, with effect from and conditional on Admission, be put in place under the terms of engagement dated 27 February 2004 between the Company and Thomas Scruby.

He will receive a *pro rata* sum calculated by reference to an annual fee of £98,992 in respect of the period up to 31 March 2004, and thereafter an annual fee of £30,000, plus reasonable expenses. He will also receive an annual fee of £10,000 in respect of his membership of the Remuneration Committee and Audit Committee (£5,000 for each).

In addition he will receive 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, his time commitment as non-executive director of the Company is significantly longer than that currently envisaged under the terms of his 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 above terms of engagement will on Admission replace in its entirety the existing arrangement for the provision of Thomas Scruby's services to Centaur described above.

(e) ***Other Agreements or Commissions***

Save as set out in paragraphs 8(a), (b), (c) and (d) above, on Admission there are no existing or proposed service agreements between the Directors or the Proposed Directors and any member of the Group. Furthermore, save as set out at paragraph 8(a), (b), (c) and (d) above and the share incentive arrangements described in paragraph 5 above there are no commissions or profit sharing arrangements with any of the Directors or Proposed Directors.

(f) ***Aggregate Remuneration***

In the financial year ended 30 June 2003 no remuneration was paid by the Company to its directors. The aggregate remuneration paid and benefits in kind granted to the Proposed Directors of the Company by Centaur and its subsidiaries in the same period was approximately £720,000. The aggregate remuneration payable by any member of the Group (including bonuses and benefits in kind) to the Directors and Proposed Directors in respect of the current financial year ending 30 June 2004 under the arrangements in force or proposed at the date of this document is expected to amount to approximately £1,090,000.

(g) ***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.

9. 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

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).

*Lee Hemmings holds 691 ordinary shares in the capital of Perfect Information 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. As described in paragraph 15 of Part 1 of this document, it is proposed that additional options will be granted to four key managers of Perfect Information in exchange for surrender of their existing options.

In addition, Centaur 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 plc, a provider of English and other language courses. Linguaphone Group plc 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.

10. 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*
Centaur	Poland Street, London	26,450	Lease	Sept 2011
Centaur	Lexington Street, London	14,999	Lease	March 2019
Centaur	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

11. Pensions

Centaur and its subsidiaries operates 3 pension arrangements:

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

(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.

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

The Centaur Stakeholder has 191 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 Stakeholder is provided through Friends Provident as Synergy's designated stakeholder scheme. Employees of Synergy are eligible to join the Synergy Stakeholder 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. Centaur is the only employer participating in the 1995 Scheme.

There are six active members and six deferred members of the 1995 Scheme. As at November 2003, employee contributions were between 3 per cent. and 9 per cent. of pensionable salary with Centaur contributing between 5 per cent. and 9 per cent. of pensionable salary to the 1995 Scheme.

(d) ***Executive Arrangements***

Both Centaur and Synergy make contributions on behalf of executives into their personal pension arrangements. In November 2003, Centaur made contributions in respect of three individuals of £87.50, £1,121.76 and £2,284.22.

Synergy makes monthly contributions in respect of two individuals of £886.03 and £500 per month.

12. 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. **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.

With limited exceptions (relating to dividends paid on or before 5 April 2004 on shares held in individual savings accounts or personal equity plans) 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 34 per cent. but due to rise to 40 per cent. from 6 April 2004) will pay tax on the gross dividend at the Schedule F trust rate (currently 25 per cent. but due to rise to 32.5 per cent. from 6 April 2004) 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. Charities are usually entitled to receive some compensation for the loss of the tax credit on dividends received before 6 April 2004.

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 none of its shares are listed on a recognised investment exchange. Shares listed on AIM are not treated for these purposes as shares listed on a recognised investment exchange. However, if the shares are admitted to the Official List in future, BATR will only be available to the individual going forward if he is an officer or employee of the Company or he holds 5 per cent. or more of the voting rights in 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.

13. 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 Share Purchase Agreement, as described in paragraph 1 of Part 3 of this document.

(b) The Tax Deed, as described in paragraph 2 of Part 3 of this document.

(c) The D Offer, as described in paragraph 3 of Part 3 of this document.

(d) The Loan Note instrument, as described in paragraph 4 of Part 3 of this document.

(e) The Placing Agreement, as described in paragraph 5 of Part 3 of this document.

(f) The Lock-in Agreement, as described in paragraph 6 of Part 3 of this document.

(g) A Nominated Adviser and Broker Agreement dated 27 February 2004 and made between the Company and Numis pursuant to which the Company has 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 Admission and continues thereafter subject to three months' notice of termination. The Company has 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 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.

(h) The share purchase agreement dated 1 August 2002, pursuant to which Your Business Magazines Limited and Centaur (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 post-completion adjustments relating to estimated liabilities and unpaid subscriptions. £1,450,000 of this 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, £417,000 is due to be paid in August 2004 and the remaining £416,000 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 2004 in respect of non-tax claims and until 1 August 2009 in respect of tax claims. 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.

(i) 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.

14. Working capital

Having made due and careful enquiry, the Directors and the Proposed Directors are of the opinion that, taking into account available banking facilities and the net proceeds of the Placing, the Company and the Group will have sufficient working capital available for their present requirements, that is, for at least the next 12 months from the date of Admission.

15. Litigation and arbitration

Neither the Company nor any of its subsidiaries is or has been involved in any legal or arbitration proceedings 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 nor are there any such proceedings pending or threatened against any member of the Group of which the Company is aware.

16. Statements as to market share

Statements in this document as to the market share of Centaur's products are founded upon the reasonable opinion of the Directors and the Proposed Directors. This opinion is based principally upon internal analysis carried out by Centaur on the amount of display and recruitment advertising sold and revenue thereby generated by Centaur's titles and what the Directors and the Proposed Directors perceive to be competing publications in the relevant sectors.

17. General

(a) The gross proceeds of the Placing are expected to be approximately £134,175,073. The total costs and expenses relating to Admission and the Placing are approximately £9.33 million* (including value added tax), all of which are payable by the Company.

(b) Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its reports as set out in Parts 4 and 5 of this document.

(c) 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.

(d) As at the date of this document, no statutory accounts have been delivered to the Registrar of Companies by the Company. The financial information set out in this document relating to the Group does not constitute statutory accounts within the meaning of section 240 of the Companies Act.

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

(f) The Placing Price is payable in full in cash on acceptance.

(g) Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

(h) Save for the sale of Lawtel Limited and the acquisition of Synergy as described in paragraphs 13(h) and 13(i) of this Part 8, the Directors and the Proposed Directors are not aware of any exceptional factors which have influenced the Group's activities.

(i) The Directors and the Proposed 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) Save as disclosed in this document there has been no significant change in the trading or financial position of the Group since 30 June 2003, being the date to which the financial information contained in Parts 5 and 6 of this document was prepared.

(k) Save as disclosed in paragraph 5 of Part 3 and paragraphs 3(b)(iii), 8(c) and 8(d) of this Part 8 above, no person directly or indirectly (excluding the Company's professional advisers to the extent disclosed elsewhere in this document and trade suppliers) in the twelve months preceding the Company's application for Admission received, directly or indirectly, from the Company or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

   (i) fees totalling £10,000 or more;

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

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

(l) Monies received from applicants pursuant to the Placing will be held by Numis until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 10 March 2004 (or such later date as Numis and the Company may agree but not later than 1 April 2004) application monies will be returned to applicants at their risk without interest prior to delivery of the shares.

*Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full.

(m) In the Directors' and Proposed Directors' opinion, the minimum amount to be raised pursuant to the Placing for the purposes set out in paragraph 21(a) of Schedule 1 to the POS Regulations is £134,175,073 million, which will be applied as follows:

(i)	cash element of the consideration for the Acquisition and the D Offer	£129,844,230*
(ii)	commissions and expenses payable in respect of the Placing	£4,330,843*

There are no amounts to be provided in respect of the matters mentioned above otherwise than out of the Placing or the Group's existing resources.

(n) 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.

(o) The provisions of sub-section 89(1) of the Companies Act (to the extent not disapplied pursuant to section 95 of the Companies Act) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in sub-section 94(2) of the Companies Act) which are, or are to be, paid up in cash and, upon Admission, will apply to the authorised but unissued share capital of the Company. As described in paragraph 3(b)(ii) above, statutory rights of pre-emption have been disapplied in order: (i) to permit the Directors to allot 7,397,480 new Ordinary Shares for which subscribers are being procured by Numis pursuant to the Placing; (ii) to give the Directors flexibility in relation to rights or other pre-emptive issues; and (iii) to permit the Directors to allot Ordinary Shares for cash having a nominal value of up to 5 per cent. of the maximum issued ordinary share capital of the Company following the Placing.

18. 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 during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including 10 April 2004 being the date one month following Admission:

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

(b) the Accountants' Reports set out in Parts 4 and 5 of this document;

(c) the Directors and Proposed Directors' service agreements and letters of appointment referred to in paragraph 8 above;

(d) the material contracts referred to in paragraph 13 above;

(e) the consent letters referred to in paragraphs 17(b) and 17(c) above; and

(f) this document.

Dated: 27 February 2004

*Assuming all Centaur Options (other than those which holders of Centaur Options have irrevocably agreed to cancel in consideration of a grant of options over Ordinary Shares) are exercised in full.

DEFINITIONS

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

"ABC"	Audit Bureau of Circulation
"Acquisition"	the proposed acquisition of all of the issued A, B and C ordinary shares of £0.10 each in Centaur by the Company
"Admission"	admission of the entire ordinary capital of the Company, issued and to be issued, to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules
"AIM"	the Alternative Investment Market of the London Stock Exchange
"AIM Rules"	the rules for AIM companies and their nominated advisers, issued by the London Stock Exchange from time to time in relation to AIM traded securities
"Board"	the board of directors of the Company for the time being
"Centaur"	Centaur Communications Limited
"Centaur Holdings" or "the Company"	Centaur Holdings plc
"Centaur Options"	options granted under the Centaur Communications Limited Unapproved Share Option Scheme or the Centaur Communications Limited Executive 1984 Share Option Scheme
"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 4 of this document, and "Director" means any one of them
"D Offer"	the takeover offer by the Company to acquire the D Shares in Centaur contained in an offer document despatched to D Shareholders on 28 February 2004
"D Offer Share Alternative"	the offer of Ordinary Shares as an alternative to cash to holders of D Shares pursuant to the D Offer
"D Shareholder"	a holder of D Shares
"D Shares"	the "D" ordinary shares of £0.10 each in the capital of Centaur
"Existing Shares"	the 200,000 existing Ordinary Shares, 100,000 of which are held by Colin Morrison and 100,000 of which are held by Patrick Taylor
the "Group" or "Centaur Group"	Centaur and its subsidiaries, or following the Acquisition, the Company and its subsidiaries, as the context may require
"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 4 of Part 3 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
"New Ordinary Shares"	the 134,175,073 Ordinary Shares to be allotted pursuant to the Placing, such allotment being conditional on Admission
"Numis"	Numis Securities Limited
"Official List"	the Official List of the UK Listing Authority
"Option Holders"	holders of Centaur Options
"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 proposed conditional placing of the New Ordinary Shares by Numis pursuant to the Placing Agreement
"Placing Agreement"	the conditional agreement dated 27 February 2004 between Numis, the Directors and the Company details of which are set out in paragraph 5 of Part 3 of this document
"Placing Price"	£1.00 per New Ordinary Share
"POS Regulations"	the Public Offers of Securities Regulations 1995 (as amended)
"Proposed Directors"	Graham Sherren, Geoffrey Wilmot and Thomas Scruby and "Proposed Director" means any one of them
"Reporting Accountants"	Ernst & Young LLP
"Rollover Scheme"	a share option scheme to be established by the Company with substantially the same terms as the Centaur Communications Limited Unapproved Share Option Scheme
"SDRT"	stamp duty reserve tax
"Shareholders"	holders of Ordinary Shares following Admission
"Share Option Scheme"	the Centaur Holdings plc Executive Share Option Plan 2004, details of which are set out in paragraph 5 of Part 8 of this document
"Share Purchase Agreement"	the conditional 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 Part 3 of this document
"Synergy"	Synergy Software Solutions Limited, a subsidiary of Centaur
"subsidiary"	as defined in sections 736 and 736A of the Act
"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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