

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. If you have sold or otherwise transferred all of your Ordinary Shares in the Company please send this document, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold part of your holding, please consult the stockbroker, bank or other agent through whom the sale was effected.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

This document constitutes an admission document drawn up in accordance with the AIM Rules. It is not a prospectus and has not been delivered to the Financial Services Authority in accordance with the Prospectus Rules published by the Financial Services Authority. This document has not been and is not required to be delivered to the Isle of Man Financial Supervision Commission for registration. This document and the Placing have not been approved by the Isle of Man Financial Supervision Commission or any other government or regulatory authority in or of the Isle of Man.

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure 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 the Ordinary Shares of Norcon to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on 28 July 2008.

The whole of this document should be read. An investment in the Company includes a significant degree of risk and the attention of investors is drawn in particular to the Risk Factors set out in Part 2 of this document.

Norcon PLC

(Incorporated in Isle of Man under the Companies Act 2006 with registration number 2730V)

Placing of 2,246,376 Ordinary Shares of 1p each at 69p per share and Admission to trading on AIM

Nominated Adviser and Broker FinnCap

Share capital immediately following the Placing

<i>Authorised</i>			<i>Issued</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
100,000,000	1,000,000	Ordinary Shares of 1p each	41,123,188	411,232

FinnCap, which is authorised and regulated by the Financial Services Authority, is acting as the Company's nominated adviser and broker for the purposes of the AIM Rules in connection with the proposed admission of the Ordinary Shares to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by FinnCap as to any of the contents of this document and FinnCap has not authorised the contents of any part of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by FinnCap for the accuracy of any information or opinions contained in, or for the omission of any material information from this document for which the Company and the Directors are solely responsible. FinnCap will not be offering advice, and is not acting for, and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the proposals described in this document.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, nor has any prospectus in relation to the Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or within United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document must not be copied or distributed by recipients (save as set out above) and, in particular, must not be distributed by any means, including electronic transmission, to persons with addresses in United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa, their respective possessions and territories or to any citizen of any of them or to any corporation, partnership or other entity created or organised under the laws of any of them. Any such distribution could result in a violation of the laws of those countries. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action and observe any such restriction.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company's registered office and at the offices of FinnCap at 4 Coleman Street, London EC2R 5TA from the date of this document and for a period of at least one month from Admission.

CONTENTS

	<i>Page</i>
Placing Statistics	3
Expected Timetable	3
Directors, Secretary and Advisers	4
Definitions	5
PART 1 Information on Norcon PLC	7
PART 2 Risk Factors	18
PART 3A Financial Information on Norcon PLC	22
PART 3B Financial Information on Norconsult Telematics Limited	25
PART 4 Pro Forma Statement of Net Assets	46
PART 5 Additional Information	49

PLACING STATISTICS

Placing Price per share	69p
Number of Existing Ordinary Shares	40,000,000
Number of New Ordinary Shares being placed on behalf of the Company	1,123,188
Number of Vendor Shares being placed on behalf of selling shareholders	1,123,188
Number of Ordinary Shares in issue immediately following Admission	41,123,188
Number of Placing Shares as a percentage of the enlarged share capital	5.5
Number of New Ordinary Shares as a percentage of shares not in public hands at Admission	94.5
Gross proceeds of the Placing for the Company	£775,000
Estimated net proceeds of the Placing for the Company	£75,000
Market capitalisation of the Company at the Placing Price immediately following Admission	£28.4 million
ISIN	IM00B2R5KD48
AIM Symbol	NCON

EXPECTED TIMETABLE

Publication of this document	23 July 2008
Admission and commencement of dealings in the Ordinary Shares on AIM	28 July 2008
CREST accounts credited (where appropriate)	28 July 2008
Date for dispatch of definitive share certificates (where applicable)	15 August 2008

(All times are London times unless otherwise stated)

DIRECTORS, SECRETARY AND ADVISERS

Directors	Trond Helge Tostrup (<i>Non-Executive Chairman</i>) Arnold Rørholt (<i>Chief Executive</i>) Marne Elizabeth Martin (<i>Chief Financial Officer</i>) Gaute Vik (<i>Part-time Executive Director</i>) Jørn Arve Longem (<i>Non-Executive Director</i>) Kenneth Reginald Dawson West (<i>Non-Executive Director</i>)
	all of 5 Andrea Kalvou PO Box 54843 CY 3728 Limassol Cyprus
Website address	www.norconplc.com
Registered Office	15-19 Athol Street Douglas Isle of Man IM1 1LB
Nominated Adviser & Broker	FinnCap 4 Coleman Street London EC2R 5TA
Reporting Accountants	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP
Cypriot Auditors and Accountants	PKF Sawides & Co. Limited 229 Arch. Makarios Avenue Meliza Court CY3105 Limassol Cyprus
UK Solicitors to the Company	Eversheds LLP One Wood Street London EC2V 7WS
Isle of Man Advocates to the Company	Cains Advocates Limited 15-19 Athol Street Douglas Isle of Man IM1 1LB
Cypriot Solicitors to the Company	Chrysses Demetriades & Co. Fortuna Court 284 Makarios III Avenue CY3105 Limassol Cyprus
Solicitors to the Nominated Adviser and Broker	Charles Russell LLP 8-10 New Fetter Lane London EC4R 1RS
Registrars	Capita Registrars (Isle of Man) Limited 3rd Floor, Exchange House 54-62 Athol Street Douglas Isle of Man IM1 1JD

DEFINITIONS

“Act”	the Companies Act 2006 of the Isle of Man
“Admission”	admission of the Ordinary Share capital to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (including, without limitation, any guidance notes or statements of practice) which govern the obligations and responsibilities of companies whose shares are admitted to trading on AIM, as amended from time to time
“Articles”	the Articles of Association of the Company to be adopted on Admission, further details of which are set out in paragraph 4 of Part 5 of this document
“City Code”	the UK’s City Code on Takeovers and Mergers
“Combined Code”	the Principles of Good Governance and the Combined Code on Corporate Governance issued by the Financial Reporting Council, as amended from time to time
“Controlling Shareholders”	Jørn Longem and Kari Longem
“CREST”	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument and of which Euroclear is the operator
“Directors” or “Board”	the directors of Norcon at the date of this document whose names are set out on page 4 of this document
“DTR5”	Chapter 5 of the FSA’s Disclosure Rules and Transparency Rules sourcebook
“Enlarged Share Capital”	the aggregate of the current issued share capital of the Company and the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of the CREST system
“Existing Ordinary Shares”	the 40,000,000 Ordinary Shares of 1p each in issue at the date of this document
“FSA”	the Financial Services Authority
“FSMA”	Financial Services and Markets Act 2000 of the United Kingdom
“FinnCap”	JMFinn Capital Markets Limited
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Long Term Incentive Plan” or “LTIP” or “Share Scheme”	the Norcon Long Term Incentive Plan, a summary of the principal provisions of which are set out in paragraph 7 of Part 5 of this document

“New Ordinary Shares”	the 1,123,188 new Ordinary Shares to be issued and credited as fully paid pursuant to the Placing
“Norcon” or “Company”	Norcon plc or, where the context so requires, the Group
“Norconsult”	Norconsult Telematics Limited, the principal trading subsidiary of Norcon
“Norconsult Telematics Holdings”	Norconsult Telematics Holdings Limited
“Official List”	the Official List of the UK Listing Authority
“Operators”	operators of telecommunications networks including fixed line and mobile telephone systems and data networks
“Ordinary Shares”	ordinary shares of 1p each in the share capital of the Company
“Panel”	the UK Panel on Takeovers and Mergers, which operates the City Code
“Placing”	the placing of the Placing Shares at the Placing Price by FinnCap as broker to the Company, pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 23 July 2008 between the Company, the Directors, the Vendors and FinnCap in connection with the Placing, further details of which are set out in paragraph 16 of Part 5 of the document
“Placing Price”	69 pence per Ordinary Share
“Placing Shares”	the New Ordinary Shares and the Vendor Shares, which have been placed by FinnCap pursuant to the Placing Agreement
“Saudi Arabia”	The Kingdom of Saudi Arabia
“Shareholders”	shareholders in Norconsult
“UAE”	United Arab Emirates
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
“VAT”	UK value added tax
“Vendors”	Norconsult Telematics Holdings Limited and Gaute Vik
“Vendor Shares”	the 1,123,188 existing Ordinary Shares to be sold pursuant to the Placing

PART 1

INFORMATION ON NORCON

1. Introduction

Norcon plc, which is incorporated in the Isle of Man, is the holding company for Norconsult Telematics Limited, an international project management and outsourcing services business, which has its head office in Cyprus and operates principally in the telecommunications sector.

The Group has provided project management and outsourcing services since 1957, in more than 20 countries around the world. Norconsult's projects range from simple studies of limited scope and duration, to a US\$233 million contract over several years under which Norconsult was responsible for managing an infrastructure investment in excess of US\$5 billion.

The technical complexities of the fixed line and mobile telephone systems, together with the associated data networks, have increased dramatically since Norconsult was formed. Operators, particularly in emerging countries, regularly use external consultants to assist them install, upgrade and operate their various telephone networks. With approximately 3,000 suitably qualified consultants to draw from, Norconsult regards itself as the market leader in its core markets.

Barriers to entry are high and include access to appropriate qualified and experienced consultants, financial stability and past references from customers.

Norconsult has been consistently profitable since 1997 and for the accounting periods from 1997 to 2007 has declared dividends of, in aggregate, US\$30.5 million. Norconsult's business has grown steadily in recent years. The Directors believe this organic growth is set to continue. In addition they expect to grow further by acquisition.

The Directors are now seeking an AIM listing to enhance the profile of the Group and to provide additional funding to grow the business. They consider that the flotation will enable the Group to significantly increase its marketing and sales functions and provide working capital which may be required to facilitate growth, whether organically or by acquisition.

2. History and Background

The Norconsult business was originally part of the AS Tele-plan group, founded in 1957 to pursue consultancy and technical advice opportunities in Norway and neighbouring countries. The Longem family started investing in AS Tele-plan in 1959 and consolidated its ownership throughout the 1960s, eventually owning 100 per cent., which still remains the position. The name was changed to Teleplan AS in 1982. It partnered with a number of other Norwegian consulting companies to market their services individually and internationally through a jointly established corporate entity, named Norconsult International AS. Teleplan specialised in the provision of telecommunications, IT and defence systems consulting. This international consortium, Norconsult International AS, yielded its first infrastructure project in the Middle East in the 1960s and its first telecom project in 1969. Since then, many projects have been completed throughout the world.

In 1995, a Cypriot company was established and Teleplan's international projects, which at the time were contracted through Norconsult International AS, were spun off from Teleplan AS and Norconsult International AS to the newly formed Cypriot company. In 1997 Teleplan took over 100 per cent. of the shares in Norconsult International AS and Teleplan AS remained under the common control of the Longem family.

Teleplan AS continued its employment of primarily Norwegians, focused on projects in Europe and upon occasion further afield. Norconsult, trading under the Norconsult Telematics AS name and its own name, pursued international opportunities for telecom, IT and defence systems consulting from Cyprus with Norwegian management and a largely non-Norwegian workforce, positioning itself to capitalise on projects in the fast growing economies in the Middle East and Far East.

In 1994, Norconsult International AS, now known as Norconsult Telematics AS, a wholly owned subsidiary of Norconsult, was awarded the contract to supervise on behalf of Saudi Telecom what was, at the time,

one of the world's largest telecom project: TEP6/GSM, a US\$5 billion plus roll out of a new mobile phone system for Saudi Arabia. This contract was completed in 2003 and required more than 12,000 man months of Norconsult's consultants' work, for which Norconsult was paid, in aggregate, US\$233 million.

Large telecoms assignments have been completed in Saudi Arabia, Kuwait, United Arab Emirates, Indonesia, Thailand, Malaysia, the Philippines, Pakistan, El Salvador and Venezuela. Since 1990, Norconsult has completed more than 170 projects for 31 clients in 20 countries in the areas of telecommunications, IT and defence systems consulting.

3. The Market

Market size

In 2007, some US\$225 billion was spent by Operators on telecoms equipment and services. Frequently, the equipment purchases by Operators also required the involvement of external consultants.

There are no available independently verified figures for the amounts spent only on external consultants. However, it is the Directors' opinion, based on projects completed, that approximately five to fifteen per cent. of the purchase price of equipment and services may be typically spent on associated external consultancy services.

Competition

The Directors believe that in its core markets, Norconsult is one of the largest external independent consultancy organisations.

There are a number of smaller independent or larger non-independent organisations that compete against Norconsult across some of its activities, but none, so far as the Directors are aware, that directly compete across the entire range of Norconsult's activities in its core markets. Furthermore, with current market conditions and the focus on specialisation with regard to telecommunications and defence systems, vendors are focusing on the sale and supply of equipment and software, not on the sale of international consultancy services, in most of Norconsult's core markets. Likewise, with increased competitive pressures, larger international Operators are looking to external consultants to assist with greenfield roll-out projects in emerging countries outside of their home country and core competencies.

Market drivers

- *Competition amongst Operators*

Deregulation around the world has led to greater commercial pressure on Operators, increasing competition. Operators are now expected, in most cases, to make a commercial return on the cost of the assets they require to operate. Norconsult is able to assist these Operators to run more effectively and efficiently with the proper installation, integration and operation of new telecoms systems.
- *Technical Expertise*

Commercial pressure has also switched the focus of a number of Operators from engineering to marketing and finance in their bid to compete and maintain profit margins. Opportunities exist for Norconsult to work directly on behalf of the Operator, managing and implementing more specialised projects and the roll-out of new networks, either as a liaison between the Operator and the vendor, or on its own accord working with the Operator.
- *Increase in private networks*

At the same time, demand has been increased due to a rise in the incidence of private networks, principally for multi national organisations looking for greater reliability and efficiencies in their telecom networks.

The Directors of Norcon expect these market forces will continue for the foreseeable future.

Norconsult and the market

Norconsult will continue to focus on Operators in emerging countries and will seek to win projects which the Directors believe will provide consistent margin returns. The Directors believe it is these types of contracts which have the greatest barriers to entry and form the opportunity to retain or develop, profitable long term relationships with Operators. Furthermore, the Directors intend to seek opportunities in more developed markets following Admission.

4. The business of the Group

The Group's principal activity is providing project management and outsourcing services to Operators, assisting them with the installation, operation or optimisation of telecommunications systems, and to countries seeking advice on telecom regulatory matters, defence systems, equipment and command and control facilities.

Norconsult offers technical and commercial consulting services for the planning, deployment, expansion and operation of telecommunication and data network infrastructure and IT or defence systems. The Group also has the experience, capabilities and methods to offer services such as market analysis, business plans, design and engineering, planning, project management, and deployment of infrastructure and systems.

The Group's consultants combine technical and business skills with an extensive international expertise in telecommunications, IT and defence systems. With the fast mobilisation of its consultancy teams and an in-depth understanding of products and services, the Group supports government partners, fixed and mobile network operators, vendors and investors.

Norconsult aims to provide its customers with project management services that are valuable, attractive and relevant. Its range of professional consulting services is divided into service lines designed to meet a variety of different challenges and requirements. Its consultancy services cover the following range of activities:

- Assessing the merits and impacts of new technologies on Operators
- Undertaking feasibility studies on behalf of Operators
- Assisting Operators with licence applications
- Advising Operators and equipment vendors on the tender process
- Advising on network implementation and roll outs
- Advising on engineering and planning
- Project managing all aspects of systems improvements for Operators
- Advising on operation and maintenance systems
- Advising Operators on quality assurance policies and practices
- Implementing training systems for Operators' staff
- Advising on and implementing Operators' customer care and billing systems
- Designing and installing centralised Operators' operations and maintenance systems
- Advising on other telecom related IT systems

5. International nature of the business

Norconsult has operated predominantly in the Middle East, Far East, Africa, Asia, and the Americas with some activities in Europe. Recently the focus of Norconsult's activities has been in the Middle East, with its core market in Saudi Arabia.

6. Operations

Offices

Norconsult's head office is in Limassol, Cyprus, which has a favourable tax regime, and is an accepted base for companies dealing with Middle East clients. Additionally the Group has offices in Saudi Arabia and Abu Dhabi where projects are located, and in Norway.

Consultants

As at 31 March 2008, the Group had 568 employees of which 527 were consultants, the majority of which were recruited on a fixed term contract basis for specific assignments and chargeable to clients. Norconsult has a database of approximately 3,000 consultants who have previously worked for or are interested in working with the Group.

All of Norconsult's consultants speak English and typically have 10 years or more relevant experience, often from working with or for western operators or equipment manufacturers such as BT, Telenor, Telia, Ericsson, Nokia, Huawei, Siemens and Alcatel amongst others. In general, project leaders and senior consultants have been with Norconsult for many years.

Norconsult has endeavoured to work with the Saudi authorities to comply with their regulations on the proportion of its staff who are Saudi nationals. More than 35 per cent. of the consultants working for Norconsult in Saudi Arabia are Saudi nationals, thereby complying with the "Saudization" goals of the government. As a result, in Saudi Arabia, Norconsult is able to arrange block work visas for its employees working on a project, which is a significant advantage and very difficult to match.

Approximately 95 per cent. of the consultants working for Norconsult are non-Europeans. Many consultants have their contracts structured on a "back to back" basis with that of the project they are working on. In this way, current utilisation rates for Norconsult's consultants are 93 per cent.

Recruitment is generally by word of mouth or occasionally via the internet. Recruitment agencies are rarely used by the Company, thus costs of recruitment have not been material.

Operating practices

Norconsult aims to deliver the highest quality advice to its clients by using both suitably qualified and experienced staff and by operating in accordance with practices and policies developed over many years. In this way Norconsult designs its work to ensure, as far as possible, that projects are completed on time, to specification and within budget.

In 2001, Norconsult was granted ISO 9001 status following a review of its procedures, and has been re-certified without comment every three years since then. The latest re-certification was received in February 2008.

Norconsult has developed web based management and project control systems, containing agreed procedures, invoice control and document control processes, which are available to both the Norconsult project team and the client to assess the status of the project.

Financial standing

Norconsult has enjoyed a long period of profitable trading with strong positive cash flows. Although dividends of some US\$30.5 million have been paid out or declared for the accounting periods from 1997 to 2007, Norconsult has been able to finance the development of its business by a combination of local bank facilities and an arrangement with Natel, under which a significant percentage of the Saudi related non-payroll expenditure is, in the first instance, paid for by Natel. It is then aggregated for reimbursement as payments are received from Norconsult's primary client in Saudi Arabia. These arrangements are set to continue following Admission.

Norconsult has formed very close relationships with its clients and has not experienced any bad debt in its contractual arrangements. In deciding which clients to work with, Norconsult pays particular attention to the recoverability of debts. Payment periods tend to be around 60 to 90 days from invoicing. Currency risk is managed by denominating contracts and expenses in the local currency, or where possible, pegging contractual values to international currencies.

Norconsult's long history of successfully completed projects in Saudi Arabia means that in most cases it does not need to post either tender or performance bonds for work in that country performed with its repeat clients. In the Directors' opinion, this represents confidence from repeat clients in Norconsult's ability to perform.

7. Customers/Projects

Since 1990, Norconsult has worked on 170 projects for 31 clients and in more than 20 countries. In recent years the focus has been more on the Middle East and the Far East, with a continued presence in Saudi Arabia. This is in particular due to the rapid economic growth and budget surpluses in that region.

The largest project Norconsult has been involved with was the TEP6/GSM roll out of a new mobile telephone system for Saudi Arabia which commenced in 1994 and had an overall budget of over US\$5 billion. This was at the time, believed to be one of the world's largest telecoms project and Norconsult was responsible for project management and related services. In total, in the first phase of this project Norconsult billed in excess of 12,000 man months of consultants time and an aggregate invoice value of more than US\$233 million.

More typically, contracts tend to range from the smallest, at approximately US\$50,000, to larger contracts which start at around the US\$15 million level. Historically, the average contract value was typically between US\$2-4 million. However, in 2007 the average contract value was US\$6 million.

In 2007, Norconsult was particularly active for its largest client Saudi Telecom Company. Approximately 94 per cent. of the total turnover for 2007 was represented by work for Saudi Telecom Company.

A new master service agreement was concluded with Saudi Telecom Company in October 2007 and is expected to extend to October 2010; the usual pattern here is a two year contract term plus an option to extend for one year. Most of the work for Saudi Telecom Company is now undertaken under frame contracts that do not require Norcon to tender competitively for any work or service under the frame contracts. Previously, in Saudi Arabia fixed line business was undertaken on a frame contract basis but additional work for the mobile and other businesses went out to individual tenders. This is no longer required, although specialised additional projects may be put out to tender. As a result, Norconsult expects to receive a larger quantum of business for its services in Saudi Arabia as measured in man months billed.

Typical telecommunication contracts vary in type from engagements to manage and launch a greenfield operation in a foreign country (such as was the case in Pakistan), to overlay or replace an existing network with new equipment (for example with TEP6/GSM), implement system upgrades, new billing systems etc. (as was the case with many of the ongoing contracts with Saudi Telecom Company) or provide general advisory and vendor support services to operators.

The defence systems contracts are most typically for consulting services for reviewing vendor quotes and equipment related to command and control systems.

8. Business Development

A key objective of the Norconsult management team is to develop the depth and breadth of its business. In part this can be achieved by securing further contracts with current clients. It is the Directors' experience that once a relationship has been formed around a successfully completed project, the occurrence of repeat contract wins for the same client is high.

The Norconsult management team will also focus on securing new contracts from clients for whom Norconsult has not previously worked.

The barriers to entry in the telecoms consulting industry are high. Of particular importance are personal relationships with the decision makers at the Operators. One of the main objectives of any future corporate acquisition will be to add to the personal relationships that Norconsult's senior management team already enjoys.

9. Financial information

The following is extracted from the audited financial statements of the Group for the three years ended 31 December 2007.

Year to 31 December	2005 US\$'m	2006 US\$'m	2007 US\$'m
Revenue	39.81	44.43	55.14
Cost of sales	(31.57)	(35.48)	(43.55)
Gross profit	8.24	8.95	11.59
Gross profit (%)	20.7%	20.2%	21.0%
Operating expenses	(5.15)	(4.12)	(3.38)
Profit from operations	3.09	4.83	8.21
Net finance costs	(0.04)	(0.42)	(0.83)
Other income/costs	(0.30)	0.02	(0.14)
Profit before taxation	2.75	4.43	7.24
Tax	(1.04)	(1.08)	(1.58)
Profit after taxation	1.71	3.35	5.66
Number of consultants	374	384	555

10. Directors, Officers, Senior management and Employees

Trond Tostrup, aged 63, *Non-executive Chairman*

Trond first joined AS Teleplan Group in 1972 as a general manager and head of finance administration. In 1981 he left the group to join Bergen Bank in Norway where he became head of its merchant banking operations. He joined Sparebanken Oest as chief executive officer in 1988.

Trond became a director of the Group in 1989 and was appointed non-executive Chairman of Norconsult Holdings in 2001. Trond is also the Chairman of the Economic and Political Committee of the Norwegian Savings Bank Association. During the course of his career, Trond has worked in Norway as well as Middle Eastern countries. He was educated at the Norwegian School of Management in Oslo.

Arnold Rørholt, aged 56, *Chief Executive*

Arnold graduated from Oslo University in 1979 with a Masters degree in law. He then worked for the Norwegian Ministry of Finance and for Shell in Norway before in 1983 forming his own legal practice.

In 1987, he merged his firm with another Norwegian legal practice, becoming managing partner, then chairman and then senior partner of one of the largest law firms in Norway. In 2000 he withdrew from the firm.

He became Norconsult's Chief Executive in 2000, having from 1997 been its non-executive chairman.

Gaute Vik, aged 57, *Part-time Executive Director*

In 1978, Gaute was awarded a Masters degree in Applied Mathematics from the University of Bergen, Norway. He then worked for eight years for the Norwegian Defence Research Establishment (NDRE), during which he was awarded a PhD degree in statistics from Oklahoma State University. In 1986 he moved to Saudi Arabia to become an adviser for the Royal Saudi Air Defence Force.

He joined Norconsult in 1986 as a consultant and Middle East regional manager. Since then Norconsult has grown strongly to become a market leader in its core market.

In 1997 Gaute was appointed Chief Executive and in 2000 he became Executive Chairman of Norconsult. Following Admission Gaute will own 18.9 per cent. of the enlarged share capital in his own name and will own 20.4 per cent. of Norconsult Telematics Holdings, which in turn will own 68.9 per cent. of the Company. He will continue to work on a part-time basis predominantly dealing with his senior contacts at the client operators.

Marne Martin, aged 33, *Chief Financial Officer*

Marne graduated with a BSc. in International Economics from Georgetown, Washington DC. After this, she studied finance and economics at the London School of Economics and then gained a joint MBA/Masters in International Management from Purdue University – Krannert Graduate School of Management and ESCP-EAP, studying in Indiana and in France. Marne has led the Norconsult team in preparing for its IPO.

Marne first worked with the Norconsult management team in 1997 when she was part of the team bidding in Venezuela for the first GSM license in the Americas. She then worked with them again when she was President of a company that owned multiple Central American GSM licences and operated a GSM network. Marne managed these businesses as the President of the Holding Company and Chief Executive Officer and Chief Financial Officer of subsidiaries during network rollout and transitional periods with success, having raised additional equity and debt funding, negotiated key vendor and operational agreements with vendors worldwide, and negotiated an exit for the investors to a large international telecom operator.

In addition to her work in the telecoms sector, Marne was also a key member of the team that privatised the last US state owned pharmaceutical company that is now listed on the New York Stock Exchange under the name Emergent Biosolutions.

Jørn Longem, aged 48, *Non-executive Director*

Jørn graduated from the University of Colorado with a degree in Electrical Engineering and Computer Science. He worked for Teledata AS and Teleplan AS between 1985 and 1994. In 1994 he joined Norconsult, spending two years on projects in the Philippines and Saudi Arabia, became a director of Norconsult in 1997 and was appointed non-executive director of Norcon on 11 June 2008. Jørn is also managing director of Teleplan Holdings AS and 100 per cent. shareholder of Teleplan AS.

Jørn is the majority shareholder in Norconsult Telematics Holdings Limited which in turn, on Admission, will own 68.9 per cent. of the shares of Norcon.

Kenneth West, aged 53, *Non-executive Director*

Following time as a commissioned Army Officer based in Bahrain in the UK armed forces, Kenneth spent 15 years with Reuters, the financial services group, latterly as Managing Director of the Middle East and Africa.

He now runs the investment advisory group Kenneth West Associates, and has successfully developed a number of companies with international trading interests in Europe, the Middle East and the United States in the high technology, natural resources and services sectors. He is a director of the AIM listed Syndicate Asset Management plc. Kenneth also serves as an adviser to certain AIM traded finance and investment companies. Kenneth joined the board of Norcon on 22 July 2008.

Senior managers:

Aage Aasmundsen, aged 63, *President and Chief Executive Officer, Norconsult*

Aage is responsible for the Group's operational activities, having joined Norconsult in 1996 as its General Manager with responsibility for operations in Saudi Arabia, as well as taking on the role as Programme Director for the TEP6/GSM Project, one of the world's largest telecommunications project at the time. In 2006, Aage became responsible for the Group's entire international telecommunications activities, whilst maintaining responsibility for operations in Saudi Arabia.

Aage has more than 25 years experience within the telecommunications industry, 23 of which were in various senior management roles in companies such as Telia AB, Marconi plc and has held positions in Norway, Singapore, Sweden, United Kingdom and Saudi Arabia. Aage's work experience covers countries such as Australia, Belgium, Brunei, Burma, China, Czech Republic, Hong Kong, Indonesia, Kuwait, Malaysia, New Zealand, Norway, Oman, Pakistan, Philippines, Portugal, Qatar, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates and United Kingdom. Aage has a Masters Degree in Electronic Engineering from the Technical University of Norway.

Arne Dag Aanensen, aged 46, *Director Finance & Audit, Norconsult*

Arne Dag, based in Cyprus, joined Norconsult in 2001 as Financial Controller where he was responsible for implementing, training and maintaining the Group's world-wide accounting system. Since 2003 he has had overall responsibility for the Norconsult's finance and accounting activities.

Arne Dag gained financial experience before joining Norconsult Telematics, working as the Financial Controller for Blom ASA for 6 years in Indonesia and previously spent 8 years in an auditing role for Revisor Gruppen Norpartner in Oslo, Norway. He has also worked in Indonesia and Saudi Arabia.

Arne Dag studied towards a Bachelor of Commerce at the Norwegian School of Management between 1981 and 1985 and specialises in project control, financial analysis, project audit and business administration.

Abdallah Sihaq, aged 47, *Vice President Finance & Administration, Saudi Arabia*

Abdallah joined Norconsult's branch in Saudi Arabia in 1982, after completing a course in Kenya run by the UK Association of Chartered Accountants. Abdallah is responsible for financial and accounting matters relating to the Group's Middle East and Far East operations, also handling many matters pertaining to the Group's major client in Saudi Arabia.

Employees

As at 31 March 2008, being the latest practicable date prior to the date of this document, the Group had 568 employees, including the executive Directors and 527 consultants working on Norconsult projects.

11. Current trading and prospects

The Norconsult business has performed strongly in recent years. As set out in this document, profit before tax for the year ended 31 December 2007 was some US\$7.2 million, up some 60 per cent. on the previous year.

The year to 31 December 2008 has started well and Norconsult has a strong order book of attractive projects. Accordingly the Directors look forward with confidence to another successful year.

12. Management incentives

A key element of the Group's strategy is the effective incentivisation and retention of its management team and other employees who are critical to driving shareholder value. The Group intends to adopt, conditional on Admission, the Norcon 2008 Long Term Incentive Plan (the "Plan") to achieve this aim. In addition, the Plan will act as a tool to attract executives of a calibre required to add significant value to the existing management team.

Further details of the Plan are set out in paragraph 7 of Part 5 of this document.

13. Reasons for Admission

The Directors believe that Admission will:

- raise the profile of the Group with its target customer base;
- position the Group to attract, recruit and retain key employees who can be further incentivised through the share option scheme; and
- provide the Group with more flexibility for funding further growth, through acquisitions and organic expansion.

14. Use of proceeds

The Directors intend to use the £75,000 anticipated net proceeds of the Placing for working capital.

15. Dividend policy

Historically, the Group's policy has been to distribute all available profits by way of dividends. This policy will continue for dividends in respect of the year ended 31 December 2007, which will be payable only to Norconsult's shareholders before Admission.

Following Admission, it is the intention of the Directors, subject to the commercial needs of the business, that dividend payments are made of approximately 50 per cent. of the profits available for distribution with the first payment expected in summer 2009.

16. Corporate Governance

The Directors acknowledge the importance of the principles set out in the Combined Code. Although compliance with the Combined Code is not compulsory for AIM companies, the Directors intend to apply the principles as far as practicable and appropriate for a public company of this nature and size. The Board also proposes to follow, as far as practicable, the recommendations on corporate governance of the Quoted Companies Alliance for companies with shares traded on AIM.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. Following Admission, the Directors intend to hold Board meetings 4 to 6 times a year and at other times as and when required. The Directors will appoint an audit committee and a remuneration committee with effect from Admission and, when considered appropriate, a nomination committee. Details of the committees are set out below.

Audit Committee

The audit committee will be chaired by Trond Tostrup and will also comprise Jørn Longem and Kenneth West. The audit committee is responsible for providing formal and transparent arrangements for considering how to apply suitable financial reporting and internal control principles having regard to good corporate governance and maintaining an appropriate relationship with the Group's auditors.

Remuneration Committee

The remuneration committee will be chaired by Trond Tostrup and will also comprise Jørn Longem and Kenneth West. The remuneration committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This includes agreeing with the Board the framework for remuneration of the Chief Executive, all other executive Directors, the Company Secretary and such other members of the executive management of the Company as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options.

Share dealing code

Norcon has adopted and will operate a share dealing code for Directors and applicable employees in order to ensure compliance with Rule 21 of the AIM Rules and will take proper steps to ensure compliance by the Directors and those employees.

17. Details of the Placing

The Placing comprises the issue by the Company of 1,123,188 New Ordinary Shares, to raise approximately £775,000 at the Placing Price (£75,000 net of commissions and expenses) and the sale by existing shareholders of 1,123,188 Vendor Shares at the Placing Price to raise, in total, approximately £775,000 million at the Placing Price.

Under the Placing Agreement, FinnCap has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price per share. The Placing has not been underwritten by FinnCap. The Placing Shares will represent approximately 5.5 per cent. of the Enlarged Share Capital and will rank *pari passu* in all respects with the Existing Ordinary Shares save for the dividend payment referred to in paragraph 15 above.

The Placing Agreement is conditional upon, *inter alia*, Admission. In addition the Placing Agreement contains provisions entitling FinnCap to terminate the Placing prior to completion in certain circumstances. If this right is exercised the Placing will lapse. Further details of the Placing Agreement are set out in paragraph 16 of Part 5 of this document.

18. Lock-ins and orderly market arrangements

Each of the Directors, and Norconsult Holdings and Abdallah Sihaq (together the “Locked-in Persons”) have agreed for 12 months that any sale or disposal of Ordinary Shares in which they are interested will be effected through FinnCap. These restrictions will apply in respect of 38,876,812 Ordinary Shares representing 94.5 per cent. of the Enlarged Share Capital. The Locked-in Persons have also agreed to orderly markets arrangements through the Company’s brokers for a further 12 months.

Certain transfers between the existing shareholders of Norconsult Holdings have been exempted from the Lock-in arrangements.

Further details of these arrangements are set out in paragraph 17.5 of Part 5 of this document.

19. Relationship agreement

The Controlling Shareholders have agreed to exercise their votes as shareholders (and to procure the same in respect of any “associate” as defined in the AIM Rules) in accordance with certain restrictions set out in a Relationship Agreement entered into with Norcon and FinnCap. The restrictions, which will apply in respect of 28,753,139 Ordinary Shares representing 69.9 per cent. of the enlarged share capital, seek to ensure that the Group is capable of carrying on its business and making decisions independently and in the best interests of the Group and that any transactions between any member of the Group and/or the Controlling Shareholders are made on an arm’s length basis.

The agreement shall terminate on all of the Controlling Shareholders and any “associate” ceasing to hold Shares or instruments capable of converting into Shares conferring in aggregate 30 per cent. or more of the rights to vote at general meetings of the Company.

Further details of this agreement are set out in paragraph 17 of Part 5 of this document.

20. Taxation Information for Shareholders

The attention of investors is drawn to the information regarding taxation which is set out at paragraphs 11 and 12 in Part 5 of this document. These details are, however, intended only as a general guide to the current taxation law position in the UK and the Isle of Man for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK and the Isle of Man are strongly advised to consult their professional advisers.**

21. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for all the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 28 July 2008.

No temporary documents of title will be issued. All documents sent by or to a placee who elects to hold Ordinary Shares in certificated form, or at his direction, will be sent through the post at the placee’s risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

22. CREST

CREST is a paperless settlement system enabling title to securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Regulations. The Company has applied for the Ordinary Shares to be

admitted to CREST with effect from Admission and Euroclear UK & Ireland Limited has agreed to such admission. Accordingly, placees may elect to receive their Ordinary Shares in uncertificated form and settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if Shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

23. Risk Factors

Shareholders should consider carefully the risk factors set out in Part 2 of this document in addition to the other information set out in this document.

24. Further Information

Your attention is drawn to the additional information set out in Parts 2 to 5 of this document.

PART 2

RISK FACTORS

Investing in the Company involves a degree of risk. Investors should carefully consider the risks and the other information contained in this document before they decide to invest. Investors should note that the risks described below are not the only risks faced by the Company. There may be further risks that the Directors do not consider to be significant today, but which may become so in the future, or of which they are currently unaware. If any of the circumstances identified in the risk factors materialise, there could be a material adverse effect on the business, financial condition, results of operation and prospects of the Company. In such cases, the price of the Ordinary Shares could decline, and investors may lose all or part of their investment. 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 investors are in any doubt about the action they should take, they 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 before making a decision to invest.

Business risk factors

Reliance on few major clients

Norconsult typically has a limited number of clients who together account for a significant proportion of its turnover in any one year. For example in 2007, Saudi Telecom accounted for approximately 94 per cent. of Norconsult's total turnover. Should Norconsult lose one or more of its major clients or should these clients not award significant contracts to Norconsult without replacement by equivalent business from other clients, this could have a significant adverse impact on Norconsult's results.

Political and country risk (pre-contract/mid contract)

Risks relating to Saudi Arabia

Saudi Arabia, though one of the wealthiest nations in the Middle East region, is a devout and insular country where the ruling Al Saud family holds the monopoly of power; political parties are banned and the opposition is organised from abroad. Islamic law is strictly enforced.

The Saudi branch of Norconsult Telematics AS, which is the contracting party in many of the Group's key contracts, operates under a temporary licence first granted in 1982. The current licence is valid until 16 October 2009 and is expected to be renewed in the ordinary course of business. Temporary branch licences are common in Saudi Arabia, as under the current policy of the Saudi Ministry of Commerce and Industry, foreign consulting companies may not establish permanent branch offices but must register under the Professional Partnership Regulations as a partnership which must include 25 per cent. partnership interest held by a Saudi Arabian national who has a personal licence in the same field of consulting activity. Whilst the temporary nature of the branch licence is a risk factor, the branch has been in operation since 1982 and the licence has been renewed each time.

Threat of terrorism

Militant Islamists have launched several terrorist attacks in the past. There is a continuing high threat of terrorism in Saudi Arabia. It is believed (by the British Foreign & Commonwealth Office) that terrorists are planning further attacks, including against westerners and places associated with westerners in Saudi Arabia.

Because the Company deals with state organisations, there are risks to projects and contracts that may result from changes of government or regime.

Exchange rate risk

The majority of the Group's revenue is expected to be in US dollars. During the period from 2006 – 2007, the effect of the depreciation in the US dollar against the euro, meant that some of the staff paid in

US dollars expected higher pay when salaries were reviewed. If the US dollar continues to depreciate against the euro, this could have an adverse effect on the Company's financial condition or results of operations.

Reputation

The Group's reputation, in terms of the service it provides, the way in which it conducts its business and the financial results which it achieves, is central to its future success. Failure to meet the expectations of its clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation. The Group therefore places a strong emphasis on the quality of its service, it invests in staff training, especially in the area of health and safety, and it operates systems of risk management and internal control.

Ability to attract contractors

The Group depends on qualified and experienced contractors to enable it to bid for new contracts. Should the Company be unable to attract new contractors or retain existing contractors, this could have a material adverse effect on the Company's ability to grow or maintain its business.

Personal risk of staff in different countries

There are personal risks to staff in different countries, and these include illness risks, and risks which result from internal civil disorder, terrorism or insecurity in some countries.

Dependence on key personnel

The Company's future success is substantially dependent on the continued services and performance of its senior management and other key employees and their on-going relationships with clients and suppliers. The loss of the services of certain key personnel or the inability to recruit employees of the appropriate calibre, could have a significant adverse effect on the business of the Group.

Growth management

The Directors anticipate that further expansion will be required to address the anticipated growth in the business. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place significant demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Insurance coverage

The Company believes the level of its insurance to be appropriate based on the cost of cover, the risks associated with its business and industry practice. The Company does not carry business interruption, key man, terrorism or sabotage insurance. The Company can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover increased expenses relating to these losses or liabilities. Accordingly, the Company may suffer material losses from uninsurable or uninsured risks or insufficient coverage.

Branch Network

The Group generally maintains centralised management control in the areas of payroll, contracts, pricing, regulatory matters, quality control and information technology. If the Group fails to exert proper centralised management control, its local branches could engage in unauthorised activities, the Group's management initiatives may not be successfully implemented and its business, financial condition and results of operations may be adversely affected.

Intellectual property protection

The Group does not own any registered trade marks for the name "Norconsult Telematics". The Group has operated using this name for many years and has been granted a limited licence by the owners of the "Norconsult" trade mark and diamond logo in Norway. However, this does not automatically mean that there has been no infringement by the Group of intellectual property owned or acquired by third parties in other countries and the Company has not conducted any trade mark availability or infringement searches

outside of Norway. If an intellectual property infringement has occurred, the Group may have to obtain appropriate intellectual property licences or cease trading in this name or challenge the validity of such intellectual property in the courts.

No assurance can be given that any future trade mark applications will result in trade mark registrations, or that the scope of any trade mark protection will exclude competitors or provide advantages to the Group.

Current operating results as an indication of future results

The Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Company's results to date as an indication of future performance. Factors that may affect the Company's operating results include increased competition, an increased level of expenses, technological change necessitating additional capital expenditure, slower than expected sales and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Company's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

Future uncertainty

This document contains certain forward looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underlie them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Company will not differ materially from matters described in this document.

The need to raise additional capital in the future

The Company's capital requirements depend on numerous factors, including its ability to maintain and expand its business. If the Company makes any material acquisitions, it may require further financing. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Economic and business cycle

The Company's customers are principally corporate companies whose expenditure on services provided by the Company may be discretionary in nature and may therefore be affected by changes in the economic and business cycle.

Controlling shareholder

Norconsult Telematics Holdings Limited is the majority shareholder of Norcon holding 28,318,357 Ordinary Shares representing 68.9 per cent. Enlarged Share Capital. A Relationship Agreement has been entered between Norcon, the Controlling Shareholders and FinnCap (further details of this agreement are set out in paragraph 19 of Part 1 and paragraph 17.9 of Part 5 of this document), however, there can be no assurance that minority shareholders will enjoy the same level of protection and marketability of their shares as they would as a shareholder of a company without a controlling majority shareholder.

The City Code on Takeovers and Mergers ("City Code")

It is not anticipated that the City Code will apply to the Company as it is centrally managed and controlled outside of the UK, the Isle of Man and the Channel Islands. Accordingly, the Company's shareholders will not benefit from the protections afforded to companies which are subject to the City Code. However, the Company has incorporated certain of the Shareholder protections from the City Code into its Articles of Association. See the description of the Articles of Association at paragraph 4 of Part 5, and the explanation at paragraph 6 of Part 5, of this document for further details.

Equity investment

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up, and that the market price of the Ordinary Shares may not reflect the value of the underlying assets or results of the Company. Investors may not recover their original investment.

Investment in AIM 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 and traded on the London Stock Exchange's market for listed securities. An investment in Ordinary Shares may be difficult to realise.

No application is being made for the admission of the Ordinary Shares to the Official List. AIM is a market designed primarily for emerging or smaller companies. Both types of company carry higher than normal financial risk and tend to experience lower levels of liquidity than larger or more established companies.

PART 3A

FINANCIAL INFORMATION ON NORCON PLC



The Directors
Norcon plc
15-19 Athol Street
Douglas
Isle of Man
IM1 1LB

and

The Directors
FinnCap
4 Coleman Street
London
EC2R 5TA

23 July 2008

Dear Sirs

NORCON PLC (“THE COMPANY”)

We report on the financial information set out in paragraphs 1 to 3. This financial information has been prepared for inclusion in the Admission Document dated 23 July 2008 of Norcon plc on the basis of the accounting policies set out in paragraph 1. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules and for no other purpose.

Norcon plc was incorporated on 2 June 2008 and has not commenced trading.

Responsibility

The directors of Norcon plc are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 of the financial information. It is our responsibility 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 Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company’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 23 July 2008, a true and fair view of the state of affairs of Norcon plc at 2 June 2008 in accordance with the basis of preparation set out in paragraph 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PKF (UK) LLP

FINANCIAL INFORMATION ON NORCON PLC

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards ("IFRS").

2. Balance sheet

	<i>As at 2 June 2008 Pence</i>
Unpaid share capital	1
Total assets	1
Equity	
Called up share capital	1
Total equity	1

3. Notes to the financial information

(i) Share capital

Issued
One ordinary shares of £0.01 each

At the balance sheet date, the Company had not adopted an authorised share capital.

(ii) Post balance sheet event

On 22 July 2008, the Company acquired the entire issued share capital of Norconsult Telematics Limited as part of a share for share exchange in connection with the proposed listing of the Group on AIM, a market operated by London Stock Exchange plc.

The following changes to the issued share capital of the Company have taken place since incorporation:

- Pursuant to a shareholder resolution passed on 22 July 2008, the amount of share capital available for issue was set at £1,000,000 divided into 100,000,000 Ordinary Shares of 1 pence each.
- Pursuant to a share exchange agreement dated 22 July 2008 between the Company and all of the shareholders of Norconsult Telematics Limited (pursuant to which all of the shareholders of Norconsult Telematics Limited exchanged their shares in that company for Ordinary Shares) and a resolution of the Board, the shareholders of Norconsult Telematics Limited were allotted and issued 40,000,000 Ordinary Shares. All of such shares were paid up in full in consideration for the transfer of the entire issued share capital of Norconsult Telematics Limited.

PART 3B

FINANCIAL INFORMATION ON NORCONSULT TELEMATICS LIMITED



The Directors
Norcon plc
15-19 Athol Street
Douglas
Isle of Man
IM1 1LB

and

The Directors
FinnCap
4 Coleman Street
London
EC2R 5TA

23 July 2008

Dear Sirs

NORCONSULT TELEMATICS LIMITED (“NORCONSULT”)

We report on the financial information on Norconsult and its subsidiaries and associates (together “the Group”) set out in paragraphs 1 to 6. This financial information has been prepared for inclusion in the Admission Document dated 23 July 2008 of Norcon plc on the basis of the accounting policies set out in paragraph 1. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules and for no other purpose.

Responsibility

The directors of Norcon plc are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 of the financial information. It is our responsibility 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 Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the company’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 23 July 2008, a true and fair view of the consolidated affairs of the Group as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in paragraph 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PKF (UK) LLP

FINANCIAL INFORMATION ON NORCONSULT TELEMATICS LIMITED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information is based on the consolidated financial statements of the Group which have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards.

The principal accounting policies that are followed by the Group are shown below for a better understanding and evaluation of the financial statements.

(a) Basis of preparation

Norconsult Telematics AS ("NTAS") is the principal trading entity in the Group. On 1 October 2006 NTAS was transferred from Teleplan Holdings AS to Norconsult Telematics Holdings Limited ("NTHL") for consideration of US\$8 million. By way of written resolutions of both Norconsult Telematics Limited and NTHL dated 16 November 2007, it was agreed to transfer ownership of NTAS from NTHL to Norconsult Telematics Limited for consideration of US\$286,000 with effect from 1 January 2007.

Throughout the three years ended 31 December 2005, 2006 and 2007, the trading activities, assets and liabilities of the Saudi and Kuwait branches owned by NTAS were assigned to Norconsult Telematics Limited. Therefore, although legal ownership of the Saudi and Kuwait branches was outside of the Group prior to 2007, economic ownership of these businesses has been held by the Group throughout the period. Consequently the financial information is presented as if NTAS had been a subsidiary of the Group for the period covered by the financial information.

Significant inter-branch balances are eliminated. The financial statements are prepared in United States Dollars.

The exchange rates used for the translation of the financial statements are shown in Note (xxi).

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of Norconsult, its branches, subsidiaries and associates.

For this purpose a subsidiary is an entity in which the controlling interest is more than 50 per cent. of the voting power and where the company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Goodwill arising on the acquisition of the subsidiaries and associate is recognised as an asset. The excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised in the income statement in the year of acquisition. The Group annually reviews goodwill arising on the acquisition of subsidiaries for any impairment. If impairment occurs, this is transferred to the income statement.

(c) Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management anticipate that any estimates and judgements made do not have a material effect on the results.

(d) Foreign exchange

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in United States Dollars, which is the functional and presentational currency of the Group.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States dollars using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange rates used are disclosed in note (xxi). Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in the income statement in the period in which the foreign operation is disposed of.

(e) Revenue recognition

Revenue from a contract to provide services is recognised by reference to the progress of completion of the contract based on the provisions of each contract.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

(f) Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over the estimated useful lives, using the straight line method.

The estimated useful lives of the assets are as follows:

	<i>Months</i>
Furniture, fittings and equipment	36 – 80
Computer hardware and software	36 – 80
Motor vehicle	36 – 60

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

(g) Taxation

Tax is calculated as follows:

- The current and deferred taxation are recognised as income or expense for the year.
- The provision for income tax and special defence contribution for the year is calculated in accordance with the Income Tax Laws. Deferred taxation is calculated on the basis of the rates ruling at the balance sheet date.
- The debit balances of the deferred taxation arising from deductible temporary differences are recognised to the extent of the anticipated taxable profits.

(h) Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(i) Financial assets and trade receivables

The Group does not have any financial assets other than trade receivables.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at cost, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(j) Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Norconsult are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. The Group does not have any financial liabilities 'at fair value through profit or loss'.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at cost with interest expense recognised on an effective yield basis.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(k) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Employees' terminal benefits

Provision is made for amounts payable under applicable local laws and regulations and employment contracts applicable to employees' accumulated period of service at the balance sheet date. The provision at the year end is calculated by reference to the benefit accrued at that date.

(m) Work in progress

Contract work in progress is calculated at cost, plus attributable profit, less amount received or receivable as progress payments.

(n) Contingent liabilities

Contingent liabilities are disclosed if the confirmation of the expense or loss is considered possible from future events.

(o) Segmental reporting

A segment is a component of the Group distinguishable by economic activity (business segment) or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(p) Post balance sheet events

Current assets and liabilities of the Group are adjusted to reflect any post balance sheet events and include additional information for amounts calculated on the basis ruling at the balance sheet date.

2. CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December		
		2005 US\$000	2006 US\$000	2007 US\$000
Turnover	(i)	39,808	44,434	55,139
Cost of sales		(31,573)	(35,486)	(43,553)
Gross profit		<u>8,235</u>	<u>8,948</u>	<u>11,586</u>
Operating and administrative expenses		(5,150)	(4,115)	(3,382)
Profit from operations	(ii)	<u>3,085</u>	<u>4,833</u>	<u>8,204</u>
Diminution in value of investments		–	–	(6)
Profit/(loss) on disposal of fixed assets		17	16	(39)
Finance income	(iii)	17	82	107
Finance cost	(iii)	(59)	(497)	(935)
Partner's share of Pakistan profit		(313)	–	(90)
Share of loss of associate	(ix)	(1)	(1)	(4)
Profit before tax		<u>2,746</u>	<u>4,433</u>	<u>7,237</u>
Defence tax contribution	(iv)	–	–	(10)
Income tax expense	(v)	(1,042)	(1,085)	(1,569)
Profit for the year		<u><u>1,704</u></u>	<u><u>3,348</u></u>	<u><u>5,658</u></u>
Attributable to:				
Equity holders of the parent		1,724	3,354	5,661
Minority interest		(20)	(6)	(3)
		<u><u>1,704</u></u>	<u><u>3,348</u></u>	<u><u>5,658</u></u>
		US\$	US\$	US\$
Basic and diluted earnings per share	(vi)	<u><u>172.43</u></u>	<u><u>335.44</u></u>	<u><u>566.06</u></u>

3. CONSOLIDATED BALANCE SHEET

	Notes	As at 31 December		
		2005 US\$000	2006 US\$000	2007 US\$000
ASSETS				
Non-current assets				
Property, plant and equipment	(vii)	199	141	77
Investments	(viii)	6	6	–
Investment in associate	(ix)	600	599	594
		<u>805</u>	<u>746</u>	<u>671</u>
Current assets				
Work in progress		521	–	–
Trade and other receivables	(x)	15,041	26,729	30,402
Cash and cash equivalents	(xi)	2,356	3,178	4,475
		<u>17,918</u>	<u>29,907</u>	<u>34,877</u>
Total assets		<u><u>18,723</u></u>	<u><u>30,653</u></u>	<u><u>35,548</u></u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	(xii)	22	22	22
Legal reserve	4	17	17	17
Exchange difference reserve	4	18	45	90
Retained earnings	(xiii)	4,660	4,445	10,059
		<u>4,717</u>	<u>4,529</u>	<u>10,188</u>
Equity attributable to the equity holders of the parent		<u>107</u>	<u>24</u>	<u>21</u>
Minority interest		4,824	4,553	10,209
		<u>4,824</u>	<u>4,553</u>	<u>10,209</u>
Non-current liabilities				
Provision for employees' terminal benefits	(xiv)	2,618	3,171	4,296
		<u>2,618</u>	<u>3,171</u>	<u>4,296</u>
Current liabilities				
Trade and other payables	(xvii)	8,262	20,397	17,897
Bank overdraft	(xi)	2,489	1,581	12
Income tax payable	(xv)	530	951	1,334
Short-term loan	(xvi)	–	–	1,800
		<u>11,281</u>	<u>22,929</u>	<u>21,043</u>
Total equity and liabilities		<u><u>18,723</u></u>	<u><u>30,653</u></u>	<u><u>35,548</u></u>

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital US\$000</i>	<i>Retained earnings US\$000</i>	<i>Legal reserve US\$000</i>	<i>Exchange difference reserve US\$000</i>	<i>Total US\$000</i>	<i>Minority interest US\$000</i>	<i>Total equity US\$000</i>
As at 1 January 2005	22	4,671	17	–	4,710	127	4,837
Net profit for the year	–	1,724	–	–	1,724	(20)	1,704
Dividend paid	–	(2,100)	–	–	(2,100)	–	(2,100)
Receipt of overpayment of dividend	–	342	–	–	342	–	342
Exchange difference	–	23	–	18	41	–	41
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2005	22	4,660	17	18	4,717	107	4,824
Net profit for the year	–	3,354	–	–	3,354	(6)	3,348
Dividend paid	–	(3,500)	–	–	(3,500)	(77)	(3,577)
Exchange difference	–	(69)	–	27	(42)	–	(42)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2006	22	4,445	17	45	4,529	24	4,553
Net profit for the year	–	5,661	–	–	5,661	(3)	5,658
Exchange difference	–	(47)	–	45	(2)	–	(2)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2007	<u>22</u>	<u>10,059</u>	<u>17</u>	<u>90</u>	<u>10,188</u>	<u>21</u>	<u>10,209</u>

5. CONSOLIDATED CASH FLOW STATEMENT

	<i>Year ended 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cash flows from operating activities			
Profit for the year before taxation	2,746	4,433	7,237
Adjustments for:			
Depreciation	127	86	47
Impairment of investment	–	–	6
Movement in provision for employees' terminal benefits	530	552	1,126
(Profit)/loss on disposal of fixed assets	(17)	–	39
Exchange difference	(27)	(41)	(3)
	<hr/>	<hr/>	<hr/>
Operating profit before working capital changes	3,359	5,030	8,452
(Decrease)/increase in work in progress	(334)	521	–
Decrease/(increase) in receivables	2,969	(11,677)	(4,230)
(Decrease)/increase in creditors	(3,172)	8,849	994
(Decrease)/increase in related parties	633	3,277	(2,939)
	<hr/>	<hr/>	<hr/>
Cash generated from operations	3,455	6,000	2,277
Income tax paid and exchange difference	(634)	(665)	(1,189)
	<hr/>	<hr/>	<hr/>
Net cash generated from operating activities	2,821	5,335	1,088
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Proceeds from sale of fixed assets	48	1	6
Payments to acquire fixed assets	(110)	(29)	(28)
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(62)	(28)	(22)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Short term loan	(552)	–	1,800
Investments	(1)	–	–
Dividend paid	(1,758)	(3,577)	–
	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	(2,311)	(3,577)	1,800
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	448	1,730	2,866
Cash and cash equivalents at beginning of year	(581)	(133)	1,597
	<hr/>	<hr/>	<hr/>
Cash and cash equivalent at end of year (including bank overdraft – note (x))	(133)	1,597	4,463
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. NOTES TO THE FINANCIAL ACCOUNTING POLICIES

(i) Turnover

Turnover represents engineering consultancy work executed in the Norconsult's operating markets, stated at invoiced value net of discounts.

(ii) Profit from operations

Profit from operations is arrived at after charging the following:

	<i>Year ended 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Audit fees	82	94	95
Depreciation	127	86	47
Operating leases	90	139	53
	<u> </u>	<u> </u>	<u> </u>

(iii) Finance income and expenses

	<i>Year ended 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Finance income			
Interest receivable	17	82	107
	<u> </u>	<u> </u>	<u> </u>
Finance cost			
Interest paid on income tax	–	1	1
Bad debts recovered	(151)	(19)	–
Interest paid	120	339	471
Bank charges	60	103	126
Exchange difference	30	73	337
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

(iv) Defence tax contribution

	<i>Year ended 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Defence contribution – Cyprus	–	–	10
	<u> </u>	<u> </u>	<u> </u>

(v) Income tax

	Year ended 31 December		
	2005 US\$000	2006 US\$000	2007 US\$000
Income tax for the year – Cyprus	108	278	303
Income tax for previous years – Cyprus	34	8	–
Income tax payable in Saudi Arabia	356	296	924
Income tax payable in Qatar	28	7	–
Income tax payable in Pakistan	262	88	33
Income tax payable in South East Asia	224	408	195
Income tax payable in Indonesia	30	–	–
Income tax payable in Norway	–	–	114
	<u>1,042</u>	<u>1,085</u>	<u>1,569</u>

The income tax is different from the theoretical income tax charge that would have resulted from applying the income tax rate to the Group's results as follows:

Year ended 31 December 2007

	Cyprus US\$000	Saudi Arabia US\$000	South East Asia US\$000	Pakistan US\$000	Norway US\$000
Profit before tax	<u>6,624</u>	<u>3,120</u>	<u>442</u>	<u>98</u>	<u>404</u>
Applicable tax rate	10%	20%	30%	6%*	28%
Tax calculated at applicable tax rates	662	624	133	32	113
Tax effect of profit of permanent establishments abroad	(387)	–	–	–	–
Tax effect of allowance and income not subject to tax	(3)	–	–	–	–
Tax effect of expenses disallowed for tax purposes	9	300	–	–	–
Additional charge	22	–	62	–	–
Other	–	–	–	1	1
	<u>303</u>	<u>924</u>	<u>195</u>	<u>33</u>	<u>114</u>

Year ended 31 December 2006

	Cyprus US\$000	Saudi Arabia US\$000	South East Asia US\$000	Pakistan US\$000	Other US\$000
Profit before tax	<u>4,584</u>	<u>641</u>	<u>817</u>	<u>160</u>	<u>24</u>
Applicable tax rate	10%	20%	30%	6%*	35%
Tax calculated at applicable tax rates	458	128	245	88	8
Tax effect of profit of permanent establishments abroad	(187)	–	–	–	–
Tax effect of allowance and income not subject to tax	(21)	–	–	–	–
Tax effect of expenses disallowed for tax purposes	8	168	71	–	–
Previous years (over)/under provision	8	–	(8)	–	–
Additional charge	20	–	100	–	–
Other	–	–	–	–	(1)
	<u>286</u>	<u>296</u>	<u>408</u>	<u>88</u>	<u>7</u>

Year ended 31 December 2005

	Cyprus US\$000	Saudi Arabia US\$000	South East Asia US\$000	Pakistan US\$000	Other US\$000
Profit before tax	<u>3,156</u>	<u>282</u>	<u>426</u>	<u>1,101</u>	<u>426</u>
Applicable tax rate	4.25%	20%	10% – 20%*	6%*	32.5%
Tax calculated at applicable tax rates	134	57	224	262	139
Tax effect of profit of permanent establishments abroad	(27)	–	–	–	–
Tax effect of allowance and income not subject to tax	(4)	–	–	–	–
Tax effect of expenses disallowed for tax purposes	5	175	–	–	–
Previous years (over)/under provision	–	26	–	–	–
Additional charge	34	98	–	–	–
Other	–	–	–	–	(81)
	<u>142</u>	<u>356</u>	<u>224</u>	<u>262</u>	<u>58</u>

*On gross revenue

Factors that may affect future tax charges

There were no factors that may materially affect future tax charges.

(vi) Earnings per share

The following reflects the income and share data used in calculating basic and diluted earnings per share.

	Year ended 31 December		
	2005	2006	2007
	US\$	US\$	US\$
Profit for the year attributable to the equity holders of the parent	<u>1,724,337</u>	<u>3,354,397</u>	<u>5,660,561</u>
Weighted average number of ordinary shares used in the Calculation of EPS (No.)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	US\$	US\$	US\$
Earnings per share (EPS)	<u>172.43</u>	<u>335.44</u>	<u>566.06</u>

There is no difference between basic EPS and diluted EPS as there were no shares options or warrants in issue throughout the three years ended 31 December 2007.

(vii) Property plant and equipment

	<i>Computer hardware & software US\$000</i>	<i>Furniture & fittings US\$000</i>	<i>Office equipment US\$000</i>	<i>Motor vehicle US\$000</i>	<i>Total US\$000</i>
Cost					
At 1 January 2005	249	579	19	153	1,000
Additions	16	94	–	–	110
Disposals/write offs	(87)	(89)	(13)	(86)	(275)
Exchange difference	–	–	–	(3)	(3)
At 31 December 2005	178	584	6	64	832
Additions	13	16	–	–	29
Disposals/write offs	(1)	(2)	–	(56)	(59)
Exchange difference	–	–	–	7	7
At 31 December 2006	190	598	6	15	809
Additions	9	9	–	10	28
Disposals/write offs	(15)	(176)	–	–	(191)
Exchange difference	–	–	–	–	–
At 31 December 2007	184	431	6	25	646
Depreciation					
At 1 January 2005	176	447	10	119	752
Charge for the year	40	71	2	14	127
On disposals/write offs	(80)	(84)	(8)	(71)	(243)
Exchange difference	–	–	–	(3)	(3)
At 31 December 2005	136	434	4	59	633
Charge for the year	31	49	1	5	86
On disposals/write offs	(1)	(1)	–	(56)	(58)
Exchange difference	–	–	–	7	7
At 31 December 2006	166	482	5	15	668
Charge for the year	11	36	–	1	48
On disposals/write offs	(12)	(135)	–	–	(147)
Exchange difference	–	–	–	–	–
At 31 December 2007	165	383	5	16	569
Net book value					
At 31 December 2005	42	150	2	5	199
At 31 December 2006	24	116	1	–	141
At 31 December 2007	19	48	1	9	77

(viii) Investment

The investment relates to the Group's 40 per cent. interest in Norconsult Telematics Philippines Inc, a company incorporated in the Philippines. Norconsult Telematics Philippines Inc has not been accounted for using the equity method of accounting in these consolidated financial statements as its results and net asset position is considered by the directors to be immaterial to the Group.

(ix) Interest in associates

Summarised financial information in respect of the Group's associate company is as follows:

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Assets	1,338	1,338	1,338
Liabilities	(139)	(140)	(150)
Net assets	<u>1,199</u>	<u>1,198</u>	<u>1,188</u>
Group's share of net assets in associate	<u>600</u>	<u>599</u>	<u>594</u>
Total revenue	–	–	–
Total loss for the year	<u>(1)</u>	<u>(1)</u>	<u>(9)</u>
Group's share of loss in associate	<u>(1)</u>	<u>(1)</u>	<u>(4)</u>

(x) Receivables

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Accounts receivable	13,235	24,456	28,586
Prepayments and deposits	610	883	768
Amounts receivable from related companies	547	557	–
Other receivables	649	833	1,048
	<u>15,041</u>	<u>26,729</u>	<u>30,402</u>

All the above balances are receivable within one year.

(xi) Cash and cash equivalent

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cash at bank	2,350	3,176	4,472
Cash in hand	6	2	3
	<u>2,356</u>	<u>3,178</u>	<u>4,475</u>
Bank overdraft	<u>(2,489)</u>	<u>(1,581)</u>	<u>(12)</u>
	<u>(133)</u>	<u>1,597</u>	<u>4,463</u>

The bank overdraft is secured by an acknowledged assignment of contract proceeds in favour of the lender bank.

(xii) Share capital

	<i>2005</i>		<i>2006</i>		<i>2007</i>	
	<i>£C000</i>	<i>US\$000</i>	<i>£C000</i>	<i>US\$000</i>	<i>£C000</i>	<i>US\$000</i>
Authorised, issued and fully paid 10,000 shares of £C1 each	<u>10</u>	<u>22</u>	<u>10</u>	<u>22</u>	<u>10</u>	<u>22</u>

(xiii) Retained earnings

The Group had distributable reserves of US\$10,058,990 as at 31 December 2007 (2006: US\$4,445,347; 2005: US\$4,659,725).

(xiv) Employee terminal benefits

Provisions have been made for the end of service award as required by local law.

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
End of service award			
Saudi Arabia	2,528	3,030	4,085
Abu Dhabi	90	141	211
	<u>2,618</u>	<u>3,171</u>	<u>4,296</u>
Movement in the provision			
Saudi Arabia	546	501	1,055
Abu Dhabi	(16)	51	70
	<u>530</u>	<u>552</u>	<u>1,125</u>

(xv) Income tax payable

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Cyprus	75	220	54
Saudi Arabia	227	269	859
Qatar	22	8	–
Pakistan	133	38	–
South East Asia	43	416	299
Indonesia	30	–	–
Norway	–	–	122
	<u>530</u>	<u>951</u>	<u>1,334</u>

(xvi) Short-term loan

The short term loan is secured over the assignment of certain trade receivable invoices. It carries interest at commercial rates and is repayable within one year.

(xvii) Trade and other payables

	As at 31 December		
	2005	2006	2007
	US\$000	US\$000	US\$000
Accounts payable	3,624	12,162	14,494
Accruals	3,150	2,263	1,902
Amounts payable to related companies	1,086	4,519	1,019
Defence contribution payable	–	–	6
Other payables and provisions	402	1,453	476
	<u>8,262</u>	<u>20,397</u>	<u>17,897</u>

The above amounts are payable within one year.

(xviii) Contingent liabilities

The banker of the Saudi Arabia branch have given bank guarantees limited to the equivalent of US\$1,855,005 (2006: US\$NIL; 2005: US\$370,000) in respect of contract performance.

Letters of guarantee (Performance Bonds) for the Group's operations in Qatar amounting to US\$18,668 were in issue as at 31 December 2007 (2006: US\$383,860 and QR1,500,000; 2005: US\$383,860). The letter of guarantee has been released in 2008.

Letters of guarantee (Performance Bonds) for the Group's operations in UAE amounting to US\$918,400 were in issue as at 31 December 2007 (2006: US\$1,013,400; 2005: US\$221,096).

A letter of guarantee for AED50,000 for the registration of the Norconsult Abu Dhabi branch was also in issue as at 31 December 2007 (2006 and 2005: DHM50,000).

(xix) Financial instruments and risk management

Financial instruments consist of financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets of the Group include investments, cash and cash equivalents, deposits and receivables.

Financial liabilities of the Group include payables, bank overdraft and other creditors and accrued liabilities.

The risks involved with financial instruments and the Group's approach to controlling such risks are explained below:

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note (xv), cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's functional currency is the United States Dollar. The Group does not have significant exposure in other currencies, other than those recognised and disclosed in the Financial Statements. The exchange rate for the majority of the receivables is fixed (i.e Saudi Arabia) or denominated in United States Dollars.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market conditions. The Group is exposed to market risk with respect to its investments and receivables.

The Group limits its market risk by maintaining a conservative investment portfolio and continuously monitoring the related factors which affect their valuation.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has time deposits that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest bearing time deposits. The Group limits interest rate risk by following up changes in interest rates in the currencies in which its time deposits are denominated.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group employs certain policies and procedures in order to maintain credit risk exposures within reasonable limits.

The Group monitors receivables on an ongoing basis and continuously follows up outstanding balances for collection.

The credit risk on liquid funds is limited, as the counter parties are well known banks, with high credit rating by international credit rating agencies.

The maximum exposure to credit risk for the Group is represented by the carrying amount of each financial asset as disclosed in the financial statements.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity requirements are monitored on a regular basis and management is confident that sufficient funds are available to meet any commitments as they may arise.

(xx) Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The fair value of assets and liabilities, approximate their carrying values at the balance sheet date, assuming the Group will continue as a going concern without any intention or need to liquidate, undertake transactions on adverse terms or materially discontinue its operations.

(xxi) Related party transactions

As at 31 December 2007 the Company's majority shareholder (at 80 per cent.) is Norconsult Telematics Holdings Limited, a Company incorporated in Cyprus with the remaining 20 per cent. ownership belonging to Mr. Gaute Vik.

The ultimate beneficial shareholders of Norconsult Telematics Holdings Limited are Gaute Vik, Jorn Arve Longem, Kari Longem and Jorgen Longem (deceased).

At the end of the year the following material debit/(credit) balances existed with related parties:

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Norconsult Telematics Holdings Ltd	(316)	(3,701)	(405)
Norconsult Telematics Americas Ltd	45	4	(396)
Norconsult Telematics Philippines Inc	190	190	–
Teleplan Holdings Norway/Norconsult Telematics AS	(249)	(342)	–
Teleplan AS	(180)	(147)	(218)
	<u>(510)</u>	<u>(3,996)</u>	<u>(1,019)</u>

The related party transactions with related parties are as follows:

	<i>Year ended 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Norconsult Telematics Holdings Ltd			
Payments on behalf of related party	509	348	331
Dividend declared	1,867	2,950	–
Purchase of subsidiary	–	–	254
Amounts advanced to/(by) related party during the year	<u>2,829</u>	<u>232</u>	<u>(219)</u>
Teleplan Holdings Norway/Norconsult Telematics AS			
Royalty fee charged	<u>356</u>	<u>443</u>	<u>–</u>
Teleplan AS			
Payments made by related party on Norconsult's behalf	<u>221</u>	<u>473</u>	<u>205</u>

The amounts advanced by or to related parties referred to above are unsecured, interest free and with no fixed repayment terms.

Norconsult Telematics Americas Ltd is a company owned by Norconsult Telematics Holdings Limited. Norconsult Telematics Philippines Inc is a company in which Norconsult has a 40 per cent. interest. Teleplan Holdings Norway and Teleplan AS are companies which are controlled by one of the ultimate shareholders in Norconsult Telematics Holdings Limited.

(xxii) Directors' remuneration

The directors' earnings were as follows:

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Salaries and benefits	1,137	1,234	1,427
Service awards and bonuses	169	198	224
	<u>1,306</u>	<u>1,432</u>	<u>1,651</u>

(xxiii) Segment reporting

Segment products and locations:

The consolidated entity operates in one business segment (telecomm, IT and defence systems consulting) for primary reporting and three geographical segments (for secondary reporting being as follows):

- Europe
- Middle East
- Asia

Revenues are attributable to the segment under which the results are reported.

Geographical segments

	<i>Europe</i> <i>US\$000</i>	<i>Middle East</i> <i>US\$000</i>	<i>Asia</i> <i>US\$000</i>	<i>Total</i> <i>US\$000</i>
Year ended 31 December 2007				
Turnover	–	53,003	2,136	55,139
Results				
Profit/(loss) for the year	<u>(2,502)</u>	<u>7,946</u>	<u>217</u>	<u>5,661</u>
Assets and liabilities				
Segment assets	5,483	28,920	1,145	33,548
Segment liabilities	<u>2,096</u>	<u>22,224</u>	<u>1,019</u>	<u>25,339</u>
Other segment information				
Acquisition/(disposal) of fixed assets	(164)	–	–	(164)
Depreciation	<u>46</u>	<u>1</u>	<u>–</u>	<u>47</u>
Net cash flow	<u>(1,099)</u>	<u>3,948</u>	<u>17</u>	<u>2,866</u>
Year ended 31 December 2006				
Turnover	–	40,230	4,204	44,434
Results				
Profit/(loss) for the year	<u>(2,729)</u>	<u>5,595</u>	<u>488</u>	<u>3,354</u>
Assets and liabilities				
Segment assets	7,688	20,050	2,915	30,653
Segment liabilities	<u>7,030</u>	<u>17,436</u>	<u>1,633</u>	<u>26,100</u>
Other segment information				
Acquisition/(disposed) of fixed assets	27	(1)	(56)	(30)
Depreciation	<u>80</u>	<u>6</u>	<u>–</u>	<u>86</u>
Net cash flow	<u>1,311</u>	<u>354</u>	<u>65</u>	<u>1,730</u>
Year ended 31 December 2005				
Turnover	–	33,778	6,030	39,808
Results				
Profit/(loss) for the year	<u>(1,848)</u>	<u>2,821</u>	<u>751</u>	<u>1,724</u>
Assets and liabilities				
Segment assets	1,987	14,600	2,136	18,723
Segment liabilities	<u>2,529</u>	<u>9,057</u>	<u>2,313</u>	<u>13,899</u>
Other segment information				
Acquisition/(disposed) of fixed assets	(17)	(140)	(8)	(165)
Depreciation	<u>106</u>	<u>20</u>	<u>1</u>	<u>127</u>
Net cash flow	<u>238</u>	<u>359</u>	<u>(149)</u>	<u>448</u>

(xxiv) Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$000</i>	<i>US\$000</i>	<i>US\$000</i>
Within one year	139	53	92
Later than one year but not later than five years	–	–	–
Commitments not recognised in the financial statements	<u>139</u>	<u>53</u>	<u>92</u>

The operating leases pertaining to short term office leases.

(xxv) Exchange rates

The exchange rates against the US dollar used for the translation of the financial statements of branches/entities which are using a different functional currency were:

	<i>As at 31 December</i>		
	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
SAR	3.75	3.75	3.75
AED	3.676	3.676	3.676
RO	0.384	0.3836	0.3836
KD	0.305	0.305	0.305
THB	40.947	35.647	29.7708
NOK	N/A	N/A	5.4025
		<i>Average</i>	
	<i>2005</i>	<i>2006</i>	<i>2007</i>
SAR	3.75	3.75	3.75
AED	3.676	3.676	3.676
KD	0.305	0.305	0.305
RO	0.3858	0.3866	0.3836
THB	41.0004	35.9454	32.4465
NOK	N/A	N/A	5.7867

(xxvi) Post balance sheet events

Subsequent to the year end, Norconsult was acquired by Norcon plc as part of a share for share exchange in connection with the proposed listing of the Group on AIM, a market operated by London Stock Exchange plc.

With the introduction of the euro as the official currency of the Republic of Cyprus as from 1 January 2008 the Company has converted its share capital from Cyprus pounds to euros at the exchange rate of c £1 = €1.71.

Subsequent to the year end, Norconsult declared a dividend of US\$5.1 million payable to the shareholders as at 31 December 2007. The dividend has not been paid at the date of this document.

PART 4

PRO FORMA STATEMENT OF NET ASSETS

UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP

Set out below is an unaudited pro forma statement of net assets of the Group which has been prepared to illustrate the effect the acquisition of Norconsult Telematics Limited ("Norconsult Telematics") and the placing might have had on the net assets of the Company as if it had taken place at 31 December 2007.

The pro forma statement of net assets has been prepared for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position.

Pro forma net assets

	<i>Norcon plc</i> <i>Note 1</i> <i>US\$000</i>	<i>Norconsult</i> <i>Telematics</i> <i>Note 2</i> <i>US\$000</i>	<i>Adjustments</i> <i>Note 3</i> <i>US\$000</i>	<i>Pro forma</i> <i>US\$000</i>
ASSETS				
Non-current assets				
Property, plant & equipment	–	77	–	77
Group's share of net assets of associate	–	594	–	594
	–	671	–	671
Current assets				
Receivables and prepaid expenses	–	30,402	–	30,402
Cash and cash equivalents	–	4,475	148	4,623
	–	34,877	148	35,025
TOTAL ASSETS	–	35,548	148	35,696
LIABILITIES				
Non-current liabilities				
Employees' terminal benefits	–	(4,296)	–	(4,296)
	–	(4,296)	–	(4,296)
Current liabilities				
Accounts payable and accrued liabilities	–	(17,897)	–	(17,897)
Bank overdraft	–	(12)	–	(12)
Tax liabilities	–	(1,334)	–	(1,334)
Short-term loan	–	(1,800)	–	(1,800)
	–	(21,043)	–	(21,043)
TOTAL LIABILITIES	–	(25,339)	–	(25,339)
NET ASSETS	–	10,209	148	10,357

Notes:

- (i) The figures in respect of the Company on incorporation have been extracted without material adjustment from the historical financial information, which is set out in Part 3A of this document.
- (ii) The net assets of Norconsult Telematics at 31 December 2007 have been extracted without adjustment from the financial information on Norconsult Telematics as set out in Part 3B of the admission document.
- (iii) Gross proceeds of the placing of £775,000 net of expenses of £700,000 (converted at £1 = US\$ 1.97852).

No account has been taken of the trading performance of the Company since incorporation or of Norconsult Telematics Ltd since 31 December 2007.

The Directors
Norcon plc
15-19 Athol Street
Douglas
Isle of Man
IM1 1LB

and

The Directors
FinnCap
4 Coleman Street
London
EC2R 5TA

23 July 2008

Dear Sirs

We report on the pro forma financial information (the “Pro forma financial information”) set out in Part 4 of the Admission Document dated 23 July 2008 which has been prepared on the basis described to provide information about how the acquisition of Norconsult Telematics Ltd (“Norconsult Telematics”) and the placing might have had on the net assets of Norcon plc (“the Company”) as if it had taken place at 31 December 2007. This report is required by guidance issued by the London Stock Exchange with respect to the AIM market and is given for the purpose of complying with that guidance issued by the London Stock Exchange and for no other purpose.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the Pro forma financial information in accordance with guidance issued by the London Stock Exchange.

It is our responsibility to form an opinion, as required by guidance issued by the London Stock Exchange, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the pro forma statement of net assets has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of guidance issued by the London Stock Exchange we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with guidance issued by the London Stock Exchange.

Yours faithfully

PKF (UK) LLP

PART 5

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated in the Isle of Man with company number 2730V on 2 June 2008 as a company limited by shares under the name Norcon PLC.
- 1.2 The principal legislation under which the Company operates is the Act. The liability of the Company's members is limited.
- 1.3 The Company is domiciled in the Isle of Man. The registered office of the Company is at 15-19 Athol Street, Douglas, Isle of Man, IM11LB (telephone number +44 1624 638 300) and the Company's website is www.norconplc.com

2. Subsidiaries

The Company is the holding company of the Group. The following table contains details of the Company's subsidiaries and interests in associated undertakings:

<i>Company name</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Percentage ownership</i>
Norconsult Telematics Limited	International consultancy, principally in the telecommunications sector	Cyprus	100%
Norconsult Telematics A.S.	International consultancy, principally in the telecommunications sector	Norway	100%
Norconsult Telematics & Company LLC	dormant	Oman	65%
Norconsult Telematics Co.Limited	dormant	Thailand	100%
Norconsult Telematics (Saudi) Limited	dormant	Saudi Arabia	50%
Norconsult Telematics Philippines Inc	dormant	Philippines	100%
Norcon Global Management & Consulting Limited	International consultancy, principally in the telecommunications sector	Cyprus	100%

3. Share Capital

- 3.1 The authorised share capital of the Company as at the date of this document is £1,000,000, divided into 100,000,000 ordinary shares of 1p each.

- 3.2 Set out below are details of the issued share capital of the Company as at the date of this document:

<i>Class of share</i>	<i>Issued and credited as fully paid</i>	<i>Par Value (£)</i>
Ordinary	40,000,000	400,000

- 3.3 Set out below are details of the issued share capital of the Company as it will be immediately following Admission:

<i>Class of share</i>	<i>Maximum</i>	<i>Issued</i>	<i>Par Value (£)</i>
Ordinary	100,000,000	41,123,188	411,232

- 3.4 On incorporation, the issued share capital was 1p divided into one ordinary share of 1p.

- 3.5 The following changes to the issued share capital of the Company have taken place since incorporation:
- 3.5.1 pursuant to a shareholder resolution passed on 22 July 2008, the amount of share capital available for issue was set at £1,000,000 divided into 100,000,000 Ordinary Shares of 1 pence each.
- 3.5.2 pursuant to a share exchange agreement dated 22 July 2008 between the Company and all of the shareholders of Norconsult Telematics Limited (pursuant to which all of the shareholders of Norconsult Telematics Limited exchanged their shares in that company for Ordinary Shares) and a resolution of the Board, the following shareholders were allotted and issued 40,000,000 Ordinary Shares. All of such shares were paid up in full in consideration for the transfer of the entire issued share capital of Norconsult Telematics Limited.
- 3.6 On 22 July 2008, resolutions of the Company to the following effect were passed conditional upon (but effective immediately prior to) Admission, namely that:
- 3.6.1 the amount of share capital available for issue was set at £1,000,000 divided into 100,000,000 Ordinary Shares of 1 pence each;
- 3.6.2 the Company adopt the Articles described in paragraph 4 below in substitution for the existing articles of association of the Company;
- 3.6.3 for the purposes of Article 5.1 of the Articles, the directors of the Company be authorised to allot all unissued Ordinary Shares for cash either (a) in connection with the issue of shares pursuant to a share exchange agreement between the shareholders of Norconsult Telematics Limited and the Company on or about 22 July 2008 (the "Share Exchange Allotment") or (b) in connection with the placing of shares pursuant to a Placing Agreement to be entered into between the Company, the directors of the Company and others on or about 23 July 2008 (the "Placing Agreement") or (c) otherwise, provided that in the case of any such allotment, other than the Share Exchange Allotment and the Placing, such authority shall be limited to the allotment of relevant securities up to an aggregate nominal amount equal to one third of the aggregate nominal amount of all the Ordinary Shares in issue and fully paid immediately following Admission provided that this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (the "First Period") save that the Company may before the expiry of the First Period make an offer or agreement which would or might require relevant securities to be allotted after such expiry of the First Period (as the case may be) and the directors of the Company may allot relevant securities in pursuance of such offer or agreement as if their authority conferred hereby had not expired.
- 3.6.4 the directors of the Company be authorised to allot Ordinary Shares as if Article 5.2 of the Articles does not apply to such allotment, provided such allotment or allotments are limited to:
- (a) the issue of Ordinary Shares in connection with share options to be granted pursuant to the terms of the Share Scheme;
 - (b) the Share Exchange Allotment;
 - (c) the Placing Allotment;
 - (d) the allotment of equity securities in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities, on a record date fixed by the directors, of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements or legal or practical problems under the law of, or requirements of, any recognised regulatory body or any stock exchange in any territory; and
 - (e) otherwise than pursuant to paragraphs (a) to (c) above, the allotment of Ordinary Shares up to an aggregate nominal amount of £41,123, being 10 per cent. of the aggregate nominal amount of all the Ordinary Shares in issue immediately following Admission.

3.7 The following table shows, as at Admission, the number of Ordinary Shares under option pursuant to terms of the Share Scheme:

<i>Number of Ordinary Shares under option</i>	<i>Exercise period</i>	<i>Exercise price per share</i>
2,158,967	July 2009 – July 2011	1p

3.8 The Ordinary Shares in issue on Admission will be in registered form and, following Admission, will be capable of being held in uncertificated form. In the case of Ordinary Shares held in uncertificated form, the Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors have applied for the Ordinary Shares to be admitted to CREST. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear UK & Ireland Limited and the Company's registrar, Capita Registrars (Isle of Man) Limited (details of whom are set out on page 4).

3.9 It is anticipated that, where appropriate, share certificates will be despatched by post by 15 August 2008. Temporary documents of title will not be issued. Prior to the despatch of definitive share certificates, transfers will be certified against the register of members.

3.10 The International Security Identification Number ("ISIN") of the Ordinary Shares is IM00B2R5KD48.

3.11 The legislation under which the New Ordinary Shares have been created is the Act and regulations made under the Act.

3.12 The Ordinary Shares are denominated in sterling.

3.13 The Placing is expected to result in the allotment and issue of 1,123,188 New Ordinary Shares, diluting existing holders of Ordinary Shares by 2.7 per cent.

3.14 Following the Placing and Admission (assuming all the New Ordinary Shares are allotted), the Existing Ordinary Shares will represent 97.3 per cent. of the Enlarged Issued Share Capital.

3.15 The names of the selling Shareholders who are selling Ordinary Shares in the Placing and the number of Ordinary Shares to be sold by them as follows:

Norconsult Telematics Holdings	881,642
Gaute Vik	241,546

3.16 Save as disclosed in this paragraph 3, as at the date of this document:

3.16.1 no shares were held by, or on behalf of, any member of the Group;

3.16.2 no shares have been issued otherwise than as fully paid;

3.16.3 the Company had no outstanding convertible securities, exchangeable securities or securities with warrants;

3.16.4 there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has given no undertaking to increase its share capital; and

3.16.5 no capital of any member of the Group is under option or is agreed, conditionally or unconditionally, to be put under option.

4. Memorandum and Articles of Association

Memorandum of association

The Company has unlimited capacity to carry on or to undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction. The Memorandum does not set forth any purposes for which the Company was established or any other restrictions or limitations on the exercise of its rights, powers or privileges.

Articles of Association

4.1 *Votes of Members*

Subject to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who (being an individual) is present in person or by proxy, not being himself a member entitled to vote, shall on a show of hands have one vote and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.

4.2 *Dividends*

Subject to the provisions of the Articles, the Company may, subject to the satisfaction of the solvency test (as defined in section 49 of the Act), by resolution declare that out of profits available for distribution in accordance with Isle of Man law dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board. There is no fixed date on which an entitlement to dividend arises.

4.3 *General Meetings*

The Board shall convene in each year a general meeting of the members of the Company called the annual general meeting; any annual general meeting shall be held at such time and place as the Board may determine.

All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 67(2) of the Act) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

Any annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director shall be convened by not less than twenty-one clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that a meeting is convened by shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed by all the members entitled to attend and vote at the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member shall be quorum. (The provisions of section 67(4) of the Act are excluded.) If within fifteen minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to later on the same day, to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than fourteen nor more than twenty-eight days thereafter. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than fourteen nor more than twenty-eight days thereafter).

4.4 *Variation of rights*

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles. This paragraph shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or cease to be a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by means of a relevant system in accordance with the Uncertificated Securities Regulations 2006 of the Isle of Man (the "Uncertificated Regulations").

4.5 *Alteration of capital*

The Company in general meeting may from time to time by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and/or divide, re-designate or redenominate or convert all or any of its share capital into shares of larger or smaller par value, into shares having a purchase price of another currency or into different classes of shares than its existing shares;
- (c) 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 share capital by the amount of the shares so cancelled; and
- (d) sub-divide its shares or any of them into shares of smaller par value and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

Subject to compliance with the solvency test (as defined in section 49 of the Act) and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital, any share premium account or any undistributable reserve in any manner.

4.6 *Pre-emption rights*

Subject as indicated in the paragraph below, and unless the Company shall by special resolution otherwise direct, unissued shares in the capital of the Company shall only be allotted for cash in accordance with the following provisions:

- (a) all shares to be allotted (the "offer shares") shall first be offered to the members of the Company who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of members in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "relevant members");
- (b) the offer to relevant members set out in sub-paragraph (a) above (the "offer") shall be made in proportion to the existing holdings of shares of relevant members;
- (c) the offer shall be made by written notice (the "offer notice") from the Directors specifying the number and price of the offer shares and shall invite each relevant member to state in writing within a period, not being less than fourteen days, whether they are willing to accept any offer shares and, if so, the maximum number of offer shares they are willing to take;

- (d) at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant members who shall have notified to the Directors of their willingness to take any of the offer shares but so that no relevant member shall be obliged to take more than the maximum number of shares notified by him under subparagraph (c) above; and
- (e) if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant members.

The above provisions shall not, for the avoidance of doubt, apply to the allotment of any shares for a consideration other than cash, and, accordingly, the Directors may allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit.

4.7 *Transfer of shares*

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares with a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall contain the business or residential address of the transferee and be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register of members as the holder of the share.

No transfer of any share shall be made:

- (a) to a minor; or
- (b) to a bankrupt; or
- (c) to any person who is, or may be, suffering from mental disorder and either:
 - (i) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 (an Act of Parliament) or any similar statute relating to mental health (whether in the United Kingdom, the Isle of Man or elsewhere); or
 - (ii) an order has been made by any court having jurisdiction (whether in the United Kingdom, the Isle of Man or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs

and the Directors shall refuse to register the purported transfer of a share to any such person.

The Board may in its absolute discretion and without giving any reason refuse to register any transfer of a certificated share unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if so required);
- (f) it is delivered for registration to the registered agent of the Company, or such other person as the Board may from time to time appoint, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so; and

- (g) the holding of such share would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its shareholders as a whole including, but not limited to, where such a disadvantage would arise out of the transfer of any share to a Prohibited Person (as defined below),

provided that the Board's discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

The Board shall refuse to register any transfer of shares which is:

- (a) not made (i) in accordance with Regulation S, (ii) pursuant to registration under the US Securities Act or (iii) pursuant to an available exemption from registration under the US Securities Act; or
- (b) made by "qualified purchasers" (as defined in the US Investment Company Act) to "US persons" (as defined in Regulation S) who are not "qualified purchasers".

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Board may from time to time determine (subject to the Uncertificated Regulations in the case of any shares of a class which is a Participating Security as defined below). Notice of closure of the register of members of the Company shall be given in accordance with the requirements of the Act.

The Board shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a share or class of shares or a renounceable right of allotment of a share ("Participating Security"), title to which is permitted to be transferred by means of a relevant uncertificated system in accordance with the Uncertificated Regulations, held in uncertificated form in accordance with the Uncertificated Regulations, except that the Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Uncertificated Regulations.

4.8 *Compulsory transfer of shares*

If it shall come to the notice of the Board that any shares:

- (a) are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those shares and, in the sole and conclusive determination of the Board, such ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Board to be relevant) would in the reasonable opinion of the Board, cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities of the Company which it or they might not otherwise have suffered or incurred; or
- (b) are or may be owned or held directly or beneficially by any person that is an employee benefit plan subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other plan subject to Section 4975 of the US Internal Revenue Code of 1986, as amended, and in the opinion of the Board the assets of the Company may be considered "plan assets" within the meaning of Section 3(42) of ERISA; or
- (c) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Board require registration of the Company as an investment company under the US Investment Company Act; or
- (d) are or may be owned or held directly or beneficially by any "United States person" (as defined in Section 957(c) of the US Internal Revenue Code of 1986, as amended) and such person's shareholding amounts to ten per cent. or more of the shares, unless otherwise approved by the Board
(collectively, a "Prohibited Person"),

the Board may serve written notice (hereinafter called a "Transfer Notice") upon the person (or any one of such persons whose shares are registered in joint names) appearing in the register as the holder (the "Vendor") of any of the shares concerned (the "Relevant Shares") requiring the Vendor within ten days (or such extended time as in all the circumstances the Board consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Board, would not fall within paragraph (a), (b), (c) or (d) above (such a person being hereinafter called an "Eligible Transferee"). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Shares to which it relates pursuant to the provisions referred to in this paragraph or the paragraph below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

If within ten days after the giving of a Transfer Notice (or such extended time as in the circumstances the Board consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Board, the Company may sell the Relevant Shares on behalf of the holder thereof by instructing a London Stock Exchange member firm to sell them at the best price reasonably obtainable at the time of sale to any one or more Eligible Transferees. To give effect to a sale the Board may authorise in writing any officer or employee of the Company to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law) or to cause the transfer of the Relevant Shares to the purchaser and in relation to an uncertificated share may require the Operator to convert the share into certificated form and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale. The net proceeds of the sale of the Relevant Shares, after payment of the Company's costs of the sale, shall be paid by the Company to the Vendor or, if reasonable enquiries have failed to establish the location of the Vendor, into a trust account at a bank designated by the Company, the associated costs of which shall be borne by such trust account. The Company may register or cause the registration of the transferee as holder of the Relevant Shares and thereupon the transferee shall become absolutely entitled thereto.

A person who becomes aware that he falls, or is likely to fall, within any of sub-paragraphs (a), (b), (c) or (d) above shall forthwith, unless he has already received a Transfer Notice pursuant to the above provisions either transfer the shares to one or more Eligible Transferees or give a request in writing to the Board for the issue of a Transfer Notice in accordance with the above provisions. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.

Subject to the provisions of the Articles, the Board shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Board to serve a Transfer Notice in respect thereof. The Board may, however, at any time and from time to time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holders of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than ten clear days after service of the notice requiring the same) as may be specified by the Board in the said notice, the Board may, in its absolute discretion, treat any share held by such a holder or joint holders or person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to service a Transfer Notice in respect thereof.

The Board will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise by the Board of the powers referred to in this sub-paragraph 4.8 may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or indirect beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Board at the relevant date provided that the said powers have been exercised in good faith.

4.9 *Disclosure of interests*

Every person who is to his knowledge interested in the voting rights of three per cent. or more of the issued shares of any relevant class of shares in the capital of the Company, shall without delay, give to the Company notice in writing of the following information:

- (a) the amount of shares of the relevant class in which he was to his knowledge directly or indirectly interested immediately after the obligation arose and the percentage of voting rights in the Company held through those shares (and/or any other direct or indirect holding of qualifying financial instruments in such shares); and
- (b) the following information: (i) the identity and address of each registered holder of those shares (and person(s) entitled to exercise voting rights on behalf of such registered holder, if applicable) and the amount of shares then held by each such holder; (ii) the chain of controlled undertakings through which voting rights are effectively held, if applicable; (iii) the date on which the threshold was reached or crossed; and (iv) in respect of any notification of voting rights arising from the holding of financial instruments by that shareholder, the following shall be required:
 - (A) the resulting situation in terms of voting rights;
 - (B) if applicable, the chain of controlled undertakings through which the financial instruments are effectively held;
 - (C) the date on which the threshold was reached or crossed;
 - (D) for financial instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;
 - (E) the date of maturity or expiration of the financial instrument;
 - (F) the identity of the holder; and
 - (G) the name of the underlying issuer of such financial instrument.

4.10 *Suspension of rights*

The Board may at any time serve a notice ("Information Notice") upon a member requiring the member to disclose to the Board in writing within such period (being no less than ten days and not more than thirty days) as may be specified in the notice, information relating to any beneficial interest of any third party or any other interest of any kind whatsoever which a third party may have in relation to any or all shares registered in the member's name. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("relevant shares") to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this paragraph called a "disenfranchisement notice") whereupon the following sanctions shall apply:

- (a) *Voting*

the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) *Dividends and transfers*

where the relevant shares represent at least 0.25 per cent. in par value of their class:

 - (i) any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to the Articles to receive shares instead of that dividend; and
 - (ii) subject in the case of uncertificated shares to the relevant Uncertificated Regulations, no transfer, other than an approved transfer, of any relevant shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member

provides to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

4.11 *Borrowing powers*

Subject to the other provisions of the Articles and to the Act, the Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.12 *Retirement by Rotation*

At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.

4.13 *Return of capital*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively, subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 222 of the Companies Act 1931 of the Isle of Man. The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 222 of the Isle of Man Companies Act 1931 of the Isle of Man may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

4.14 *Permitted Acquisitions*

If a person:

- (a) whether by himself, or with persons determined by the Board to be acting in concert with him, acquires after the date that the Articles come into effect an interest in shares whether by a series of transactions over time or not which, taken together with shares which persons determined by the Board to be acting in concert with him are interested carry 30 per cent. or more of the voting rights; or
- (b) whilst he, together with persons determined by the Board to be acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires after the date that the Articles come into effect, whether by himself or with persons determined by the Board to be acting in concert with him, an interest in additional shares which, taken together with shares held by persons determined by the Board to be acting in concert with him, increases his voting rights; or

- (c) whether by himself, or with persons determined by the Board to be acting in concert with him, acquires after the date that the Articles come into effect an interest in shares whether by a series of transactions over time or not which, taken together with shares in which persons determined by the Board to be acting in concert with him are interested carry over 50 per cent. of the voting rights of a company which is interested, directly or indirectly, (i) in shares carrying 30 per cent. or more of the voting rights of the Company, or (ii) in shares which, when aggregated with those that the person or group is already interested in would carry 30 per cent. or more of the voting rights of the Company (the “Chain Principle”);

he must make an offer to the holders of the same class of the Company’s equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights substantially in accordance with Rule 9 of the City Code (**Rule 9**), as if the City Code so applied to the Company (“Mandatory Offer”). The failure to fulfil any such criteria shall constitute a breach by such member of the Articles. However, if as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the Ordinary Shares held by a person or persons determined by the Board to be acting in concert and such increase would fall within paragraph 4.14 (a) to (c) above there is no requirement to make a Mandatory Offer.

The Board may do all or any of the following where the above provision has not been, or the Board reasonably believe may not be, fulfilled:

- (a) require any member or person appearing or purporting to be interested in any shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under this Article;
- (b) have regard to such public filing as it considers appropriate to determine any of the matters under this Article;
- (c) make such determinations under this Article as it thinks fit, either after calling for submissions from affected members or other persons or without calling for such submissions;
- (d) determine that the voting rights attached to such number of shares held by such persons as the Board may determine to be held in breach of the Articles (Excess Shares) are from a particular date incapable of being exercised for a definite or indefinite period;
- (e) save that nothing herein shall effect the free transferability of the shares for the purposes of the AIM Rules for Companies from time to time, determine that some or all of the Excess Shares must be sold;
- (f) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
- (g) take such other action as it thinks fit for the purposes of this Article including:
 - (i) prescribing rules (not inconsistent with this Article);
 - (ii) setting deadlines for the provision of information;
 - (iii) drawing adverse inferences where information requested is not provided;
 - (iv) making determinations or interim determinations;
 - (v) executing documents on behalf of a member;
 - (vi) converting any Excess Shares held in uncertificated form into certificated form or *vice versa*;
 - (vii) paying costs and expenses out of proceeds of sale; and
 - (viii) changing any decision or determination or rule previously made.

If a person (the “Bidder”) makes an offer to acquire all the shares, or all the shares of any class or classes in the Company (other than shares which at the date of the offer are already held by the Bidder (and persons acting in concert with him)) and, as a result of making that offer the Bidder has by virtue of acceptances of the relevant offer, acquired or contracted to acquire not less than nine-tenths in value of the shares to which the offer relates, the Bidder may, by written notice to the Company, require the Company as agent for the Bidder to serve compulsory purchase notices on the

holders of shares to which the offer relates who have not accepted such offer requiring them to sell such shares at the same price per share as under the original offer.

Notwithstanding the above, the Board, acting in accordance with its fiduciary duties and in good faith, may consider that the requirement of this article shall not apply in certain circumstances. However, this is subject to an obligation to consult with FinnCap contained in the Placing Agreement and the Nominated Adviser and Broker Agreement.

5. Notifications of shareholdings

The provisions of DTR 5 will apply to the Company and its Shareholders by virtue of incorporation by reference into its Articles of Association. DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed, reach or fall below the threshold of 3 per cent. and each 1 per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification.

6. Takeover Regulation and Isle of Man companies

It is not anticipated that the City Code will apply to the Company as it is centrally managed and controlled outside of the UK, the Isle of Man and the Channel Islands. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquiror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company, if the effect of such acquisition is to increase that person's percentage of the voting rights. Accordingly, the Company's shareholders will not benefit from these and other protections afforded to companies which are subject to the City Code. However, the Company has incorporated certain of the Shareholder protections from the City Code (in particular, provisions equivalent to the mandatory offer requirements described above and including the chain principle) into its Articles of Association. See the description of the Articles of Association at paragraph 4 and, in particular, at paragraph 4.14 above for further details of these provisions.

As described in paragraph 8, following Admission Norconsult Telematics Holdings will hold 68.9 per cent. of the ordinary shares in the Company. Jørn Longem, Kari Longem and Gaute Vik currently hold 45.4 per cent., 32.9 per cent. and 20.4 per cent., respectively, of the shares in Norconsult Telematics Holdings. As a result of the arrangements between Jørn Longem, Kari Longem and Gaute Vik (as described in paragraph 8 below), pursuant to which Jørn Longem may at a future date acquire the shares in Norconsult Telematics Holdings held by Kari Longem and Gaute Vik, Jørn Longem is currently interested in 100 per cent. of the equity share capital of Norconsult Telematics Holdings. Accordingly, there will be no increase in the number of shares in Norconsult Telematics Holdings in which Jørn is interested upon exercise of those arrangements and, therefore, in accordance with the Articles of Association as described at paragraph 4.14 above, this will not trigger a requirements for Jørn Longem to make a mandatory offer (by virtue of the Chain Principle) for all of the shares in the Company not held by Norconsult Telematics Holdings.

7. Share Incentive Schemes

The Company will adopt, conditional on Admission, the Norconsult 2008 Long Term Incentive Plan (the "Plan") details of which are set out below. The Plan allows the Company to grant awards of conditional shares ("LTIP Awards") to eligible employees, Executive Directors and Non-Executive Directors to acquire Ordinary Shares in the Company. The LTIP Awards will normally become exercisable at the end of a specified vesting period(s) but only if the performance conditions to which they are subject have been satisfied.

Grant of Initial LTIP Awards

Conditional on Admission, the Company proposes to grant initial LTIP Awards, the conditional grants of Ordinary Shares, to seven key individuals with an aggregate value of 5.25 per cent. of the issued share capital of the Company. The table below shows the details of the proposed grant. These initial awards will count towards the Company's overall dilution limit for employee share schemes of 10 per cent. in any ten year rolling period:

<i>Name</i>	<i>Position</i>	<i>Percentage of Issued Share Capital</i>
Gaute Vik	Executive Director	1.50%
Arnold Rørholt	Group CEO	1.50%
Marne Martin	Group CFO (Upon Admission)	1.00%
Arne Dag Aanensen	Director Finance & Audit	0.50%
Trond Tostrup	Chairman of the Board	0.25%
Jørn Longem	Non-Executive Director	0.25%
Kenneth West	Independent Director	0.25%

For the initial LTIP Award, one third of the award will vest and become exercisable on the first anniversary of the date of grant, one third on the second anniversary of the date of grant and the balance on the third anniversary of the date of grant, subject to the achievement of share price growth targets. Each tranche of the initial LTIP Award will only be capable of vesting if the Company achieves an average of 10 per cent share price growth per annum over the relevant period. Any part of the LTIP Award not capable of vesting at the end of the relevant vesting period will be rolled over into the next relevant vesting period. Any LTIP Award or part thereof not vested on the third anniversary of the date of grant will lapse. Upon vesting, new Ordinary Shares will be issued in the amount of the award. The exercise price of the vested awards will be the nominal (par) value of an Ordinary Share.

Future grants to all eligible participants under the Plan and associated performance conditions will be set by the Remuneration Committee.

In this Part 5 references to the Remuneration Committee are to the Remuneration Committee (the "Committee") of the Company.

General Rules of LTIP Awards

Eligibility

Awards may be granted to any person who is an employee, Executive Directors or Non-Executive Director of the Company (or group companies) at the discretion of the Committee.

Grant of Awards

LTIP Awards may be granted by the Committee at any time except during a Close Period. LTIP Awards may not be granted more than 5 years after the date of adoption of the Plan unless the Plan is extended pursuant to shareholder authority for a further period of up to five years.

No consideration is payable on the grant of an LTIP Award. LTIP Awards granted under the Plan are personal to the Participant and, except on his death, may not be transferred, assigned or charged.

LTIP Awards will be conditional grants of Ordinary Shares.

Exercise Price

The exercise price (if any) payable on exercise of an LTIP Award will be agreed with the Committee before the LTIP Award is granted. However, it can be no lower than the nominal (par) value of an Ordinary Share. Upon vesting, new Ordinary Shares will be issued in the amount of the award.

Performance Conditions

The vesting of LTIP Awards will be subject to the satisfaction of performance conditions over the vesting period. The performance conditions will be agreed with the Committee and stated at the date of grant. The Committee will determine the extent to which the performance condition is satisfied at any time.

If the performance conditions are not satisfied or partially satisfied at the end of the vesting period, the LTIP Award of the balance (as appropriate) not vested shall lapse.

Exercise of LTIP Awards

The exercise schedule for each LTIP Award will begin at the time the option is vested and expire as agreed with the Committee prior to the grant of the LTIP Award.

Limits

The Company may issue 10 per cent. of its Ordinary Shares within a 10 year period to satisfy awards to Participants in the Plan or any other share plan operated by the Company under which Ordinary Shares are issued of which 5.25 per cent. may be utilised to satisfy initial LTIP Awards granted on Admission

The Committee will be monitoring the issue of Ordinary Shares during the ten year period.

The new issue limits above will also apply to treasury shares if they are used by the Company for the purposes of the Plan.

Allotment and Transfer of Ordinary Shares

Ordinary Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the Ordinary Shares are acquired but will otherwise rank *pari passu* with existing Ordinary Shares.

Application will be made for the admission of the new Ordinary Shares to be issued to the Official List of, and to trading on, the London Stock Exchange's markets for listed securities following the exercise of an LTIP Award.

Cessation of Employment

If a Participant leaves employment prior to the expiry of the vesting period then any LTIP Award or part thereof not vested will normally lapse unless the Committee determines otherwise.

When the Committee determines that an LTIP Award shall vest, it will consider the extent to which the relevant vesting period is completed on the date of cessation and corporate performance to this date.

Change of Control

In the event of a takeover, reconstruction, amalgamation or winding up of the Company, LTIP Awards will vest in full at the date of such event and become exercisable for a short period, such period to be set by the Committee subject to the proportionate satisfaction of the performance conditions.

In certain circumstances and subject to the agreement of the Participant, awards may be exchanged for awards over shares in the acquiring company.

It should be noted that LTIP Awards will only vest on a reconstruction or amalgamation of the Company in circumstances where the reconstruction or amalgamation amounts to a proper change in Control of the Company i.e. new ownership of the Company.

In the event of a merger or demerger of the Company, the Committee may determine that all LTIP Awards may vest provided that the above change of control provisions are applied. Further, for these provisions to apply, the merger or demerger must amount to a proper change in control of the Company.

Alternatively, the number of Ordinary Shares comprised in an LTIP Award and the terms and conditions applying may be adjusted, as the Committee in its discretion shall determine and the auditors of the Company confirm to be fair and reasonable.

Adjustment of Awards

On a variation of the capital of the Company, the number of Ordinary Shares subject to an LTIP Award may be adjusted in such manner as the Committee determines and the auditors of the Company confirm to be fair and reasonable.

Duration

The Committee may not grant awards under the Plan more than five years after its adoption unless the Plan is extended pursuant to shareholder authority for a further period of up to five years.

Amendments

Amendments to the Rules may be made at the discretion of the Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital, together with the limitations on the number of Ordinary Shares that may be issued, cannot be altered to the advantage of Participants without prior shareholder approval, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the group.

The Committee may add to, vary or amend the Rules of the Plan by way of a separate schedule in order that the Plan may operate to take account of local legislative and regulatory treatment for Participants or the relevant group company outside the UK provided that the parameters of these arrangements will provide no greater benefits than the rules of the Plan as summarised above.

General

Ordinary Shares acquired, awards and any other rights granted pursuant to the Plan are non-pensionable.

8. Directors' and Other Interests

8.1. As at the date of this document and immediately following Admission, the interests (all of which are beneficial unless otherwise stated), whether direct or indirect, of the Directors and their families (within the meaning set out in the AIM Rules) in the Existing Ordinary Shares of the Company and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, are as follows:

<i>Director</i>	<i>Before Admission</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Shares</i>
Trond Tostrup	Nil	Nil	Nil	Nil
Arnold Rørholt	2,200,000	5.5	2,200,000	5.3
Marne Martin	Nil	Nil	Nil	Nil
Gaute Vik*	8,000,000	20.0	7,758,454	18.9
Jørn Longem*	29,200,000	73.0	28,318,357	68.9
Kenneth West	Nil	Nil	Nil	Nil

*Note: Jørn Longem, Kari Longem and Gaute Vik are shareholders in Norconsult Telematics Holdings, the majority shareholder of Norcon, which before Admission holds 29,200,000 Ordinary Shares representing 73 per cent. of the Existing Ordinary Shares and, following Admission, will hold 28,318,357 Ordinary Shares representing 68.9 per cent. of the Enlarged Share Capital. Their shareholdings in Norconsult Telematics Holdings are as follows: Jørn Longem 3630 redeemable preference shares (Class B), Kari Longem 2630 redeemable preference shares (Class C) and Gaute Vik 1630 redeemable preference shares (Class D).

Jørn Longem has a call option over all 2630 shares currently held by Kari Longem in Norconsult Telematics Holdings. If Jørn Longem has not exercised his call option prior to 31 December 2016 Kari Longem shall have a put option over all 2630 shares held by her in Norconsult Telematics Holdings.

The shares held by Gaute Vik in Norconsult Telematics Holdings are pledged/charged as security for the repayment of a loan entered into by Gaute Vik. At any time after 1 January 2009 Norconsult Telematics Holdings or Jørn Longem may cause the shares held by Gaute Vik in Norconsult Telematics Holdings to be redeemed by Norconsult Telematics Holdings or sold to a third party with the amounts received to be used in repayment of the abovementioned loan. Provided that Norconsult

Telematics Holdings and Jørn Longem have undertaken in the Placing Agreement not to exercise their right to require Gaute Vik to transfer any shares held by him as at the date of Admission in the capital of Norconsult Telematics Holdings to any person (other than Norconsult Telematics Holdings or Jørn Longem) without the prior written consent of FinnCap.

Notwithstanding the above, at any time after 1 January 2009 Gaute Vik may require that Norconsult Telematics Holdings redeems his shares or that Jørn Longem or Norconsult Telematics Holdings (as the case may be) either acquires directly or indirectly his shares in Norconsult Telematics Holdings or causes the sale or transfer to a third party of such shares with the amounts received to be used in repayment of the abovementioned loan.

In the case that Gaute Vik's shares in Norconsult Telematics Holdings are not redeemed by 31 December 2010 he shall have the right to repay the loan to and acquire such shares.

As a result of the abovementioned arrangements, Jørn Longem is considered to be interested in 7890 shares in Norconsult Telematics Holdings being 98.6 per cent. of the entire issued share capital of Norconsult Telematics Holdings. As Jørn Longem has a controlling interest in Norconsult Telematics Holdings he is deemed to be interested in all of the shares held by Norconsult Telematics Holdings in Norcon.

- 8.2. The Company has granted Options over Ordinary Shares pursuant to the Share Scheme, conditional on Admission, to the following Directors for nil consideration:

<i>Director</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price</i>	<i>Exercise period</i>
Trond Tostrup	108,333	1p	July 2009 – July 2011
Arnold Rørholt	650,000	1p	July 2009 – July 2011
Marne Martin	433,333	1p	July 2009 – July 2011
Gaute Vik	650,000	1p	July 2009 – July 2011
Jørn Longem	108,333	1p	July 2009 – July 2011
Kenneth West	108,333	1p	July 2009 – July 2011

- 8.3. Save as disclosed in paragraphs 8.1 and 8.2 above, none of the Directors has any interest in the share capital of the Company or of any of its Subsidiaries nor does any member of his family (within the meaning set out in the AIM Rules) have any such interest, whether beneficial or non-beneficial.

- 8.4. So far as the Directors are aware, the only persons (other than any Director) who are or will be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company either prior to or immediately following Admission are as follows:

	<i>Before Admission</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Shares</i>
Norconsult Telematics Holdings**	29,200,000	73.0	28,318,357	68.9

** Note: See note relating to shareholders of Norconsult Telematics Holdings at paragraph 8.1 above.

- 8.5. Save as disclosed in paragraph 8.4 above the Company and the Directors are not aware of (i) any persons who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor (ii) any arrangements the operation of which may at a subsequent date result in a change in control of the Company.
- 8.6. Following Admission, the voting rights of the persons listed in paragraph 8.4 above will not differ from the voting rights of any other holder of Ordinary Shares.
- 8.7. There are no outstanding loans granted by any member of the Group to any Director nor are there any guarantees provided by any member of the Group for the benefit of any Director.

8.8. The Directors hold the following directorships and are partners in the following partnerships and have held the following directorships and been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current</i>	<i>Previous</i>
Trond Tostrup	AS Financiering Frende Holding AS Frende Livsforsikring AS Frende Skadeforsikring AS Kredittforeningen For Sparebanker Modum Bad – Gordon Johnsens Stiftelse Norconsult Telematics Holdings Ltd. Utleiebygg Teleplan AS Teleplan Eiendom AS Teleplan Holding AS Øst Prosjekt AS	Norconsult Telematics AS Orkla Finans AS Norwegian Deacon Hospital Hospital of Buskerud Hospital of Ringerike Hospital of Blefjell Norconsult AS Eiendomsmegler 1 Holding Sparebanken Øst Nera AS Sparebanken Øst Eiendom ASStiftelsen Børgården Drammen Naeringslivsforening
Arnold Rørholt	ABG Sundal Collier Holding ASA Arin AS Fabel AS Hospitsveien 13 ADA Norconsult Telematics Ltd. Norconsult Telematics AS Norconsult Telematics (Saudi) Limited Pellerin AS Pellerin Utvikling AS Teledesign Ltd. Tromsø Margarinfabrikk AS	MOM Eiendom AS Digicel Holdings Ltd. Norconsult Telematics Brazil Ltd. Norconsult Telematics Holdings Ltd Innovation AS
Marne Martin	Sunbridge Telecom Ltd. PVDA	Digicel Holdings Ltd. Atlantic Pacific Cellular (dissolved) ¹
Gaute Vik	Norconult Telematics Ltd Norconsult Telematics AS Norconsult Telematics (Saudi) Limited Trondheimsveien 164 ANS Trondheimsveien 164-1 ANS Trondheimsveien 164-2 ANS Trondheimsveien 164-3 ANS Trondheimsveien 164-4 ANS Trondheimsveien 164-5 ANS Trondheimsveien 164-6 ANS Trondheimsveien 164-7 ANS Trondheimsveien 164-8 ANS Trondheimsveien 164-9 ANS Trondheimsveien 164-10 ANS Trondheimsveien 164-11 ANS Trondheimsveien 164-12 ANS Trondheimsveien 164-13 ANS Vik Eiendom AS Vik Invest AS	

1. The company was an investment company in the Cayman Islands, when the company was no longer required it was placed into voluntary liquidation on 30.11.07 with no outstanding liabilities to creditors or shareholders.

<i>Director</i>	<i>Current</i>	<i>Previous</i>
Jørn Longem	Eiksmarka Hund og Katt AS Fender Film AS Lefdal-Senteret AS MBricks AS Norconsult Telematics Holdings Ltd. Norconsult Telematics AS Opak AS Scandpower Information Technology Oslo AS Teleplan AS Teleplan Business Accelerator AS Teleplan Consulting AS Teleplan Eiendom AS Teleplan Eiendom B AS Teleplan Eiendom C AS Teleplan Globe AS Teleplan Holdings AS Villa Helle AS	
Kenneth West	Syndicate Asset Management Plc Pinnacle Ltd. Altair Financial Services International Plc Cognisco Ltd. Nettrain UK Ltd Universal Fashion Ltd Ashcourt Holdings Ltd Savoy Asset Management Ltd Epic Asset Management Ltd	Epic Investment Partners Ltd Epic Private Equity Ltd Adevco Ltd (dissolved) ² Create OnLine Ltd.

2. The company was dissolved with no outstanding liabilities owed to creditors or shareholders.

- 8.9. Save as disclosed in paragraph 8.8 of this Part 5, as at the date of this document no Director:
- 8.9.1. has any unspent convictions in relation to any indictable offences; or
 - 8.9.2. has been bankrupt or entered into an individual voluntary arrangement; or
 - 8.9.3. was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or
 - 8.9.4. has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or
 - 8.9.5. has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
 - 8.9.6. has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) nor 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 a company.

9. Directors' Service Agreements and Letters of Appointment

9.1. The following agreements and letters of appointment (each of which are governed by English law) have been entered into by the Directors and certain members of the Group:

9.1.1 an executive service agreement between (1) the Company and (2) Arnold Rørholt dated 23 July 2008 pursuant to which Arnold Rørholt was appointed chief executive officer of the Company. The appointment is terminable by either party on 12 months' prior written notice. Mr Rørholt is entitled to participate in a bonus scheme on terms determined by the Remuneration Committee and approved by the Board from time to time. He may also participate in the Share Scheme. Mr Rørholt was appointed a director of the Company on 11 June 2008. Mr Rørholt's principal right to remuneration is dealt with in the employment contract detailed in paragraph 9.2.1 below.

9.1.2. an executive service agreement between (1) the Company and (2) Marne Martin dated 23 July 2008 pursuant to which Ms Martin was appointed chief financial officer of the Company. The appointment is terminable by either party on 12 months' prior written notice. Ms Martin is entitled to a base salary of US\$300,000 per annum, which is reviewed by the Board annually, the first review to be effective on and from 1 January 2009. In addition, she is entitled to receive £66,000 per annum in respect of costs associated with accommodation, meals and incidentals related to maintaining a foreign home for the convenience of the Company. Ms Martin is entitled to participate in a bonus scheme on terms determined by the Remuneration Committee and approved by the Board from time to time. She may also participate in the Share Scheme. Ms Martin was appointed a director of the Company on 22 July 2008.

9.1.3. an executive service agreement between (1) the Company and (2) Gaute Vik dated 23 July 2008 pursuant to which Mr Vik was appointed a part time executive director of the Company. The appointment is terminable by either party on 12 months' prior written notice. Mr Vik is entitled to participate in a bonus scheme on terms determined by the Remuneration Committee and approved by the Board from time to time. He may also participate in the Share Scheme. Mr Vik was appointed a director of the Company on 11 June 2008. Mr Vik's principal right to remuneration is dealt with in the employment contract detailed in paragraph 9.2.2 below.

9.1.4. Trond Tostrup was appointed a non-executive Director and Chairman of the Company, by letter of appointment dated 23 July 2008. The appointment is for an initial term of 3 years (subject to satisfactory performance and re-election at the next annual general meeting) unless otherwise terminated by either party on 6 months' notice given at any time. The fee payable for Mr Tostrup's services as a non-executive Director is US\$100,000 per annum and is subject to annual review. He may also participate in the Share Scheme.

9.1.5. Jørn Longem was appointed a non-executive Director of the Company, by letter of appointment dated 23 July 2008. The appointment is for an initial term of 3 years (subject to satisfactory performance and re-election at the next annual general meeting) unless otherwise terminated by either party on 6 months' notice given at any time. The fee payable for Mr Longem's services as a non-executive Director is US\$72,000 per annum and is subject to annual review. He may also participate in the Share Scheme.

9.1.6. Kenneth West was appointed a non-executive Director of the Company, by a consultancy agreement between (1) the Company and (2) Fernshaw Development Group Limited dated 23 July 2008. The appointment is for an initial term of 3 years (subject to satisfactory performance and re-election at the next annual general meeting) unless otherwise terminated by either party on 6 months' notice given at any time. The fee payable to Fernshaw Development Group Limited for Mr West's services as a non-executive Director is US\$72,000 per annum and is subject to annual review. He may also participate in the Share Scheme.

9.2 The following agreements and letters of appointment (each of which are governed by the laws of Saudi Arabia) have been entered into by the Directors and certain members of the Group:

9.2.1 an employment contract between (1) Norconsult Telematics A.S. and (2) Arnold Rørholt effective as of 1 January 2008 governing Mr Rørholt's appointment as an executive director of Norconsult Telematics A.S. The appointment is terminable by either party on 12 months' prior written notice. Unless terminated, the contract will continue until 31 December 2011 and be

renewable thereafter for successive 12 month periods upon mutual written consent. Mr Rørholt is entitled to a base salary of 416,666.67 Norwegian kroner per month. Upon conclusion of the employment contract, Mr Rørholt will be entitled to an award for the period of his service computed on the basis of the last rate of salary. This is calculated as half a month's salary for each of the first five years and one month's salary for each of the subsequent years. In addition, Mr Rørholt is entitled to various benefits including health insurance, collective accident insurance, travel allowance/expenses in accordance with the Company's policy, an accommodation allowance and a monthly car allowance of 4,200 Saudi Arabian riyals.

9.2.2 an employment contract between (1) Norconsult Telematics A.S. and (2) Gaute Vik effective as of 1 January 2007 governing Mr Vik's appointment as a part time executive director of Norconsult Telematics A.S. The appointment is terminable by either party on 12 months' prior written notice. Unless terminated, the contract will continue until 31 December 2011 and be renewable thereafter for successive 12 month periods upon mutual written consent. Mr Vik is entitled to a base salary of 90,000 Saudi Arabian riyals per month. Upon conclusion of the employment contract, Mr Vik will be entitled to an award for the period of his service computed on the basis of the last rate of salary. This is calculated as half a month's salary for each of the first five years and one month's salary for each of the subsequent years. In addition, Mr Vik is entitled to various benefits including health insurance, collective accident insurance, travel allowance/expenses in accordance with the Company's policy, an accommodation allowance and a monthly car allowance of 4,200 Saudi Arabian riyals.

9.3. Save as disclosed in paragraphs 9.1 and 9.2 above, there are no existing or proposed service agreements or consultancy agreements between any of the Directors and the Company which cannot be terminated by the Company without payment of compensation within 12 months.

9.4. The aggregate of the remuneration paid and benefits in kind (including bonus payments) granted to the Directors by any member of the Group in respect of the 12 month period to 31 December 2007 was approximately US\$1.65 million and is expected to be US\$1.90 million for the 12 month period to 31 December 2008.

9.5. There are no arrangements under which any Director has waived or agreed to waive future emoluments nor have there been any such waivers of emoluments during the financial year immediately preceding the date of this document.

10. Related Party Transactions

10.1. The following transactions are those which have been entered into between members of the Group and certain related parties as detailed below:

10.1.1. The entire issued share capital of Norconsult Telematics AS was acquired by Norconsult Telematics Limited from Norconsult Telematics Holdings Limited with effect from 1 January 2007. Prior to this date the business of Norconsult Telematics AS had been transferred to Norconsult Telematics by way of a number of agreements entered into.

10.2. Save as disclosed in paragraph 10.1 above, no Director has any interest, direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, any member of the Group or which are proposed to be acquired by, disposed of by, or leased to, any member of the Group.

11. Isle of Man Taxation

The Company has the responsibility for the deduction of any taxes at source. However, under current legislation in the Isle of Man, there is no requirement to deduct any tax at source on the payment of a dividend by the Company.

12. UK Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident, ordinarily resident and domiciled in the United Kingdom for tax purposes, holding shares of the Company as investments and not in the course of a trade, and are based on current legislation and HM Revenue &

Customs practice. Shareholders who are in any doubt about their tax position, or who are subject to taxation in a jurisdiction other than the UK, should consult their own professional adviser immediately.

Taxation of Chargeable Gains

If a Shareholder disposes of shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances. In the case of individuals and trustees, under current rules, the chargeable gain may be reduced as a result of taper relief, the amount of which depends on various factors, in particular the length of the period of ownership of the shares. In the pre-Budget report on 9 October 2007, the Chancellor announced an intention to abolish taper relief for disposals on or after 6 April 2008, from which date a capital gains tax rate of 18 per cent. would apply (although legislation in respect of these proposals have not yet received Royal Assent and have therefore not yet been enacted). Companies are not entitled to taper relief but are due indexation allowance, which may also reduce the chargeable gain.

Dividends

An individual Shareholder liable to tax only at the basic or lower rates of income tax will be taxable at the dividend ordinary rate of 10 per cent. on gross dividends received from the Company and an individual Shareholder liable to tax at the higher rate of income tax will be taxable at the dividend upper rate of 32.5 per cent. Proposals were made in the 2007 Budget that, with effect from 6 April 2008, a tax credit will be available to UK resident individuals who receive dividends from overseas companies. If these proposals are enacted, they will have the effect of eliminating the income tax liability on such dividend income for Shareholders who are liable to tax only at the basic or lower rate of income tax, and reducing the effective rate payable by individuals liable to higher-rate income tax to 25 per cent. It is proposed that the tax credit will only be available to individual Shareholders who, together with their associates, have an interest in the company of less than 10 per cent. and whose dividend income from overseas companies is less than £5,000 in any tax year.

Under current legislation, a corporate Shareholder will be liable to corporation tax on gross dividends. If withholding tax has been deducted from dividend payments, a credit should be available to set against the Shareholder's UK tax liability up to a maximum of the UK tax suffered on the dividend. UK corporate Shareholders holding 10 per cent. or more of the Company's share capital may be entitled to claim relief against UK Corporation Tax in respect of the Company's underlying tax. The extent to which such foreign tax may be set against a UK taxpayer's liability in the UK will depend on the particular circumstances of the taxpayer. The taxation of UK companies' foreign income is the subject of a discussion document issued in June 2007 by HM Treasury and HM Revenue & Customs. Changes may therefore be made to the taxation of overseas dividend income, potentially from April 2009.

Stamp Duty and Stamp Duty Reserve Tax

No UK Stamp Duty or SDRT will be payable on the issue of the Ordinary Shares. Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company, any agreement to transfer the Ordinary Shares will not be subject to SDRT. It is not intended that any such register will be kept in the UK. No UK stamp duty will be payable on the transfer of the Ordinary Shares, provided that any instrument of transfer is executed and retained outside the UK and does not relate to any property situated, or to any matter or thing done or to be done, in the UK. Generally, stamp duty is charged at a rate of 0.5 per cent. of the consideration given (rounded up to the nearest £5).

13. Working capital

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing that the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

14. Significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2007, the date to which the Group's last audited financial statements were published.

15. Litigation

No member of the Group is involved in any governmental, legal or arbitration proceedings which are having or may have a significant effect on the Group's financial position or profitability nor, so far as the Company is aware, are any such proceedings pending or threatened by or against any member of the Group.

16. Placing Agreement

In connection with the Placing, the Company, the Directors, the Vendors and FinnCap entered into the Placing Agreement on 23 July 2008. The Placing Agreement is conditional on, *inter alia*, Admission occurring on 28 July 2008 or such later date (not being later than 8.00 a.m. on 29 August 2008) as the Company and FinnCap may agree. The principal terms of the Placing Agreement are as follows:

- 16.1 FinnCap has agreed, as agent of the Company and the Vendors, to use its reasonable endeavours to procure placees to subscribe or purchase, as the case may be, respectively the New Ordinary Shares and the Vendor Shares at the Placing Price;
- 16.2 the Company has agreed to pay FinnCap a corporate finance fee of £150,000 and, provided the Placing Agreement becomes unconditional, each of the Company and the Vendors have agreed to pay a commission of 5 per cent. of the aggregate value at the Placing Price of the Placing Shares (plus any applicable VAT) placed on their respective behalves pursuant to the Placing in respect of the placees introduced by FinnCap and a commission of 2.5 per cent. of the aggregate value at the Placing Price of the Placing Shares (plus any applicable VAT) placed on their respective behalves pursuant to the Placing in respect of the placees introduced by the Company, Gaute Vik and/or Norconsult Telematics Holdings.
- 16.3 the Company has agreed to pay all of the costs and expenses of and incidental to the Placing and related arrangements together with any applicable VAT;
- 16.4 the Company and the Directors have given certain warranties to FinnCap as to the accuracy of the information in this document and as to other matters relating to the Group. The liability of the Directors under these warranties is limited in time and amount. The Company has given an indemnity to FinnCap against any losses or liabilities arising out of the proper performance by FinnCap of its duties under the Placing Agreement; and
- 16.5 FinnCap may terminate the Placing Agreement before Admission in certain circumstances, including for material breach of the warranties referred to above. The agreement is governed by English law.

17. Material contracts

- 17.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into in the two years preceding the date of this document by any member of the Group and are, or may be, material to the Group or have been entered into by any member of the Group and contain any 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;
- 17.2 the Placing Agreement, particulars of which are set out in paragraph 16 above;
- 17.3 the related party transactions, particulars of which are set out in paragraph 10 above;
- 17.4 a nominated adviser and broker agreement dated 23 July 2008 between the Company, the Directors and FinnCap, as broker and nominated adviser, pursuant to the terms of which the Company has appointed FinnCap to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay to FinnCap a fee of £50,000 excluding VAT per annum (payable half yearly in advance) for its services as nominated adviser and broker under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Directors to FinnCap. The agreement continues for a period of 12 months from Admission and thereafter, unless terminated by either party by giving not less than three months' prior written notice provided that such notice does not expire before the end of the initial 12 month period;

- 17.5 pursuant to lock-in and orderly market agreements dated 23 July 2008, the Directors and certain other shareholders (the “Locked-in Shareholders”) who, on Admission, will be interested in 38,876,812 Ordinary Shares, have entered into lock-in arrangements with FinnCap and the Company in respect of any Ordinary Shares held by them on Admission (the “Locked-In Shares”). Under the terms of the lock-in and orderly market agreements, the Locked-In Shareholders have agreed not to sell, transfer or otherwise dispose of any Locked-In Shares held by them other than in certain limited circumstances, for the period of 12 months following Admission (the “Restricted Period”). After the expiry of the Restricted Period, the Locked-in Shareholders have further agreed that, for a period of 12 months, any sale or disposal of such Locked-In Shares will only be effected through the Broker or such replacement company, subject to being offered best execution and commission at the Nominated Advisor’s then prevailing standard rate of commission. Jørn Longem and Kari Longem have entered into lock-in agreements on similar terms with the Company, Norconsult Telematics Holdings and FinnCap;
- 17.6 a warrant/option agreement between the Company and FinnCap dated 23 July 2008 pursuant to which the Company has granted to FinnCap an option to acquire up to 411,231 new Ordinary Shares (representing 1 per cent. of the Enlarged Issued Share Capital) at the Placing Price, such option being exercisable at any time between the first and third anniversaries of Admission;
- 17.7 the share exchange agreement referred to in paragraph 3.5.2 above;
- 17.8 an administration agreement between Equity Limited and the Company dated 23 July 2008 pursuant to which Equity Limited is appointed as administrator to perform certain company secretarial services to the Company in the Isle of Man. For these services the Company will pay Equity Limited a registered agent fee of £1,000 and an annual administration fee of £10,000 payable in arrears. The agreement is terminable by either party on 3 months notice save in certain limited circumstances in which case the administration agreement can be terminated forthwith;
- 17.9 pursuant to a relationship agreement dated 23 July 2008 between the Company, FinnCap and the Controlling Shareholders, the Controlling Shareholders, who, as at Admission, will, through Norconsult Telematics Holdings, be interested in 28,318,357 Ordinary Shares, have agreed (and will procure the same in respect of any “associate” as defined in the AIM Rules) to exercise their votes as shareholders in accordance with certain restrictions.

The restrictions provide that the Controlling Shareholders will (and will procure the same in respect of any “associate” as defined in the AIM Rules) at all times exercise their votes as shareholders in the manner required, so as to ensure that:

- the Group is capable of carrying on its business and making decisions independently and in the best interests of the Group;
- transactions between any member of the Group and/or the Controlling Shareholders will be made on an arm’s length basis and on normal commercial terms;
- no variations are made to the Company’s articles of association which would be contrary to the maintenance of the Company’s independence; and
- the independence of the board of Directors of the Company is maintained

The Controlling Shareholders have further agreed that they will not exercise their voting rights as a Shareholder in relation to any transaction between any member of the Group, the Controlling Shareholders or any “associate” as defined in the AIM Rules.

The agreement contains further provisions that the Controlling Shareholders, upon certain transfers of its shares, will procure that the transferee of the shares enters into a similar relationship agreement.

The agreement shall terminate on all of the Controlling Shareholders and any “associate” ceasing to hold Shares or instruments capable of converting into Shares conferring in aggregate 30 per cent. or more of the rights to vote at general meetings of the Company.

18. Consents

- 18.1 FinnCap is authorised and regulated in the United Kingdom by the Financial Services Authority. FinnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 18.2 PKF (UK) LLP has given and not withdrawn its consent to the issue of this document with the inclusion herein of its reports in Parts 3 and 4 of this document and the references to such report and to its name in the form and context in which they appear.

19. General

- 19.1 The total costs and expenses of, or incidental to, the Placing and Admission, all of which are payable by the Company, are estimated to be approximately £0.7 million (inclusive of value added tax). This amount includes the commissions referred to in paragraph 15 of this Part 5. The expected net proceeds of the Placing, after deduction of such costs and expenses, is £75,000. No expenses of the Placing are being specifically charged to subscribers under the Placing.
- 19.2 Save as disclosed in this document, no person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or any other member of the Group or entered into any contractual arrangements to receive, directly or indirectly, from the Company or any other member of the Group on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.
- 19.3 The Placing Price of 69 pence represents a premium of 68 pence above the par value of 1 pence per Ordinary Share. The Placing Price is payable in full on application.
- 19.4 The auditors of the Company are PKF Sawides & Co. Limited, chartered accountants and registered auditors. PKF Sawides & Co. Limited is a member of the Cyprus Institute of Certified Public Accountants.
- 19.5 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 19.6 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 19.7 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 19.8 The Company has made statements in Part 1 of this document regarding the Company's competitive position on the basis of the Directors' own knowledge and assessment of the market in which the Group operates.
- 19.9 Since the date of incorporation of the Company, there have been no public takeover offers (by third parties) in respect of any shares in the capital of the Company.
- 19.10 The current accounting reference period of the Company will end on 31 December 2008.
- 19.11 The Group currently has no significant investments in progress and the Group has made no firm commitments concerning future investments.
- 19.12 Save as disclosed in Part 1 of this document, the Directors are not aware of any patents or other intellectual property rights, licences, particular contracts or manufacturing processes which are material to the Group's business or profitability or upon which the Group is dependent.
- 19.13 Save as in connection with the application for Admission, none of the Ordinary Shares have been admitted to dealing on any recognised investment exchange and no application for such admission

has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.

19.14 None of the Directors or any person connected with them (within the meaning of Section 252 of the Companies Act 2006) of the United Kingdom is interested in any related financial product references to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

Dated 23 July 2008

