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This Document, which comprises an AIM admission document, has been prepared in accordance with the rules of the AIM Market of the London Stock Exchange plc and does not constitute a prospectus. Copies of this Document will be available free of charge during normal business hours on any weekday (except Saturdays and Sundays) at the registered office of the Company.

The Directors of Illuminator PLC whose names appear on page 5 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority (“UKLA”). Further, the UKLA has not itself examined or approved the contents of this Document. It is expected that dealings in the Enlarged Share Capital will commence on AIM on 26 January 2006.

Illuminator PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 2396996)

Change of name to BLACKSTAR INVESTORS PLC

Change of investing strategy

Consolidation of ordinary share capital

Authority to allot new Consolidated Shares

Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser

Shore Capital and Corporate Limited

Broker

Shore Capital Stockbrokers Limited

The rules of AIM are less demanding than those of the Official List of the UKLA. 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. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this Document.

Shore Capital, which is authorised and regulated by the Financial Services Authority, is acting exclusively for the Company in relation to the matters referred to in this Document and will not be responsible to anyone other than the Company for providing advice in relation to such matters or for providing the protections afforded to clients of Shore Capital. In particular Shore Capital, as nominated adviser to the Company, owes certain responsibilities to the London Stock Exchange plc, which are not owed to the Company, the Directors or any other person. No liability is accepted by Shore Capital 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.

Notice of an Extraordinary General Meeting of the Company to be held at 5 Norwich Street, London EC4A 1BD at 2.00 p.m. on 25 January 2006 was set out in the Circular which was despatched to Shareholders on 30 December 2005 together with the Form of Proxy. To be valid for use at the meeting, the Form of Proxy should be completed in accordance with the instructions thereon, signed and returned to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received no later than 2.00 p.m. on 23 January 2006. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person.

The Enlarged Share Capital has not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) or under any of the relevant securities laws of any state or district of the United States of America, or of Canada, Australia, Japan or the Republic of Ireland or to, or for the account or benefit of any United States, Canadian, Australian, Japanese or Irish person. Neither this Document nor any copy of it may be sent to or taken into the United States of America, Canada, Australia, Japan or the Republic of Ireland or any other jurisdiction, nor may it be distributed to any United States person (within the meaning of Regulation S under the Securities Act).

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this Document	18 January 2006
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	2.00 p.m. on 23 January 2006
Extraordinary General Meeting	2.00 p.m. on 25 January 2006
Record Date for the Consolidation and the Bonus Issue	5.00 p.m. on 25 January 2006
Admission effective and dealings in the Enlarged Share Capital commence on AIM	26 January 2006
Crediting of CREST amounts in respect of the Consolidation and the Bonus Issue	26 January 2006
Certificates despatched in respect of the Consolidation and the Bonus Issue	by 3 February 2006

KEY INFORMATION

The following information should be read in conjunction with the full text of this Document from which it is derived. You should read the whole of this Document and not rely solely on the information set out below. In particular, your attention is drawn to the section entitled “Risk Factors” in Part 2 of this Document.

- The Directors have been considering a number of opportunities for acquisition by the Company as they believe that Illuminator’s assets and AIM quotation represent an attractive proposition for a business seeking a reverse takeover.
- The Company is proposing to change its investing strategy to enable it to participate in BEE investment opportunities in South Africa. The Company is proposing to engage Blackstar Managers to assist with sourcing, evaluating and assessing potential BEE investment opportunities. Blackstar Managers is an offshore management company headed by Andrew Bonamour who has a successful track record of investment in South African companies.
- The South African Government has adopted a strategy of economic transformation through Black Economic Empowerment under which companies in South Africa have to adopt a BEE ownership participation in order to avoid becoming increasingly marginalised. The transfer of ownership is typically undertaken using special purpose investment companies and the Directors believe that this has created an attractive opportunity for investment in such companies.
- BEE transactions are often characterised by a prescribed selling process within a defined time period resulting in a large number of investment opportunities becoming available to only a limited number of largely under-funded investors. This imbalance has provided a significant opportunity for the providers of capital to obtain attractive investment terms.
- As a result of this process, the Directors expect companies with operations in South Africa with an annual turnover of at least R5 million (£446,000) to consider implementing empowerment transactions within the next three to five years. Although the formal timetable is longer, there are first mover advantages to early adopters and there will be trading disadvantages in terms of competitiveness on those who are less proactive. Accordingly, there are a large number of BEE transactions currently being implemented and in need of funding and structuring.
- The South African Government’s medium-term aim is to achieve a 25 per cent black ownership target on the JSE in terms of total market capitalisation. Since 1994, it is estimated that R150 billion (£13.4 billion) of funding has been provided for BEE transactions. This is substantially short of the 25 per cent BEE ownership target which in respect of the JSE alone is, at current levels, approximately R875 billion (£78.1 billion) in value. The JSE represents approximately one third of the total South African market size in terms of value of companies subject to BEE legislation.
- More recently, further opportunities have arisen in connection with black empowerment where transactions undertaken in recent years have developed substantial equity value. The participants in such transactions often remain locked within illiquid SPV structures over subsequent years and may seek an earlier realisation of at least part of the value accrued on their investment. The Company may seek to participate in such realisations where investments can be made at a discount to estimated market values.
- The South African economy has grown strongly in recent years reflected by a GDP growth rate of 4.5 per cent in 2004 and an annualised growth rate of 4.9 per cent in the first nine months of 2005. The South African Government has targeted 6 per cent per annum GDP growth in 2010. South Africa is no longer a primary sector based economy, with the majority (82 per cent) of GDP contribution from tertiary sectors of manufacturing, finance and other services. The Directors believe that this generally favourable macroeconomic environment should assist the wealth creation process.

- Under the terms of the Investment Advisory Agreement, (which is conditional upon Shareholders' approval and completion of the Placing), Blackstar Managers has been appointed to provide advice on BEE investment opportunities to the Company. In return, Blackstar Managers will charge an annual investment advisory fee representing 2 per cent of committed capital subject to a minimum fee of £100,000 per annum and a maximum fee of £400,000 per annum provided that, if the funds available for investment by the Company should exceed £20 million, the Directors will consider increasing this fee to reflect the additional work which Blackstar Managers will be required to undertake, provided always that the fee shall not exceed two per cent of the funds available for investment. In addition, there will be a performance fee equal to 20 per cent of the gain on investments realised by the Company, subject to a 10 per cent hurdle and making good any investment write-downs and management-related expenses. Currently, this performance fee will be distributed as to 66.5 per cent to Blackstar Managers, 23.5 per cent directly to family trusts associated with Julian Treger and 10 per cent to Shore Capital Trading Limited. The interests of the family trusts associated with Julian Treger and Shore Capital Trading Limited will be aligned on a *pari passu* basis going forward.
- The Directors will ensure that any participation by the Company in BEE investment opportunities will be fully compliant with all applicable South African laws and regulations including the BEE Act.
- The Directors have identified two BEE opportunities for investment by the Company, for which Blackstar Managers has entered into exclusivity arrangements, comprising a primary transaction in the manufacturing sector and a secondary transaction in the resources sector. The aggregate cost of the investments by the Company in these transactions is expected to be approximately R53 million (£4.7 million).

- **Investment considerations**

The Directors believe the Company will be well positioned in the South African corporate market to attract, structure, and implement BEE transactions. The Directors believe that potential investors should take into account the following investment considerations:

- **opportunity:** the South African Government's drive for economic transformation has resulted in the current opportunity for participation in BEE transactions at attractive valuations;
- **deal flow:** there are currently a substantial number of BEE investment opportunities available in major companies operating in South Africa; an early and successful track record should result in further deal flow;
- **management skills:** the combination of the Directors and the members of Blackstar Managers brings significant experience in investment with an extensive range of contacts within the South African financial community; and
- **foreign investors:** as a result of the limited and highly leveraged financial structuring mechanisms applied within South Africa to BEE investments, there is a significant opportunity for participation from foreign equity capital.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Julian André Treger (<i>Non-executive Chairman</i>) David Michael Brock (<i>Non-executive</i>) The business address for each of the above is the Company's Registered Office
Proposed Directors	Andrew David Bonamour (<i>Non-executive</i>) (<i>South Africa</i>) Dr Denis Worrall (<i>Non-executive</i>) (<i>South Africa</i>) The business address for both of the above is 57 6th Street, Hyde Park, Johannesburg, South Africa Wolfgang Andreas Baertz (<i>Non-executive</i>) (<i>Luxembourg</i>) The business address of the above is 6 rue Adolphe Fischer L-1520 Luxembourg
Secretary and Registered Office	Julian André Treger 22 Arlington Street London SW1A 1RD
Nominated Adviser	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Broker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Solicitors to the Company (as to English law)	Macfarlanes 10 Norwich Street London EC4A 1BD
International Advisers	Maitland & Co 44-48 Dover Street London W1S 4NX
Solicitors to the Company (as to South African law)	Webber Wentzel Bowens 10 Fricker Road Illovo Boulevard Johannesburg 2196 South Africa
Solicitors to the Nominated Adviser	Rosenblatt Solicitors 9-13 Andrew Street London EC4A 3AF
Auditors and Reporting Accountants	BDO Stoy Hayward LLP Northside House 69 Tweedy Road Bromley Kent BR1 3WA
Principal Bankers	Barclays Bank plc 54 Lombard Street London EC3P 3AH
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART 1

LETTER FROM THE INDEPENDENT DIRECTOR

Illuminator PLC

(Registered and incorporated in England and Wales with registered number 2396996)

Directors

Julian Treger *(Non-executive Chairman)*

David Brock *(Non-executive)*

Registered office

22 Arlington Street

London

SW1A 1RD

Proposed Directors

Andrew Bonamour *(Non-executive) (South Africa)*

Dr Denis Worrall *(Non-executive) (South Africa)*

Wolfgang Baertz *(Non-executive) (Luxembourg)*

18 January 2006

Dear Shareholder

Change of investing strategy and change of name to Blackstar Investors PLC

Consolidation of ordinary share capital

Admission of the Enlarged Share Capital to trading on AIM

The Company announced on 30 December 2005 that it is proposing to change its investing strategy to make investments in Black Economic Empowerment (“BEE”) opportunities in South Africa. The Company proposes to raise funds following the EGM by a placing of new Consolidated Shares in order to be able to commence the implementation of its new investing strategy.

The Company also announced that, subject to completion of the Proposals, Andrew Bonamour, Dr Denis Worrall and Wolfgang Baertz have agreed to become Directors. The Company is also proposing to establish a principal place of business in Luxembourg following completion of the Proposals.

The purpose of this Document is to provide Shareholders with information regarding the Proposals including the change of investing strategy (which represents a reverse takeover under the AIM Rules), as also set out in the Circular, in conjunction with which application will be made for the Enlarged Share Capital to be admitted to trading on AIM. In addition, this Document gives details of the Consolidation and the Bonus Issue proposed to be implemented following the EGM. This Document also contains the Independent Director’s recommendation that you vote in favour of the Resolutions to be proposed at the EGM, notice of which was set out at the end of the Circular.

Background to and reasons for the change in investing strategy

The Directors have been considering a number of opportunities for acquisition by the Company as they believe that Illuminator’s assets and AIM quotation represent an attractive proposition for a business seeking a reverse takeover. The Company is proposing to change its investing strategy to enable it to participate in BEE investment opportunities in South Africa. The Company is proposing to engage Blackstar Managers to assist with sourcing, evaluating and assessing potential BEE investment opportunities. Blackstar Managers is an offshore management company headed by Andrew Bonamour who has a successful track record of investment in South African companies.

The Directors will ensure that any participation by the Company in BEE investment opportunities will be fully compliant with all applicable South African laws and regulations including the BEE Act.

The Directors have identified two BEE opportunities for investment by the Company, for which Blackstar Managers has entered into exclusively arrangements comprising a primary transaction in the manufacturing sector and a secondary transaction in the resources sector. The aggregate cost of the investments by the Company in these transactions is expected to be approximately R53 million (£4.7 million).

The transformation of the South African economy in connection with the South African Government’s BEE programme has created various investment opportunities for capital providers. However, the Directors believe that there is a lack of well-funded and appropriate BEE groupings with the capability to structure such investments. The Directors believe that the combination of the opportunities for investment in South

Africa and appropriate financial structures present an attractive opportunity for investors. Furthermore, they consider that the engagement of Blackstar Managers as investment adviser will benefit the Company in securing and evaluating investments in South Africa.

The proposed investing strategy of the Company is to make investments in BEE opportunities in South Africa as an indirect and passive investor in a limited number of companies most of which are expected to be traded on the JSE with annual turnover in excess of R100 million (£8.9 million) operating within the resources, energy, automotive, logistics/distribution and infrastructure/telecoms sectors. The Directors do not intend to concentrate more than 50 per cent of the net funds available for investment in the resources sector and do not intend to invest more than 25 per cent of such net funds in any single BEE opportunity. In addition, the Directors may seek to raise debt finance in respect of each investment.

South Africa's legislative changes

South Africa's Black Economic Empowerment Act 2003 ("BEE Act") came into force on 9 January 2004. It provides the Minister of Trade and Industry with the legislative framework in order to redress the economic injustices of apartheid, which historically saw the black majority of South Africans being excluded from the economic benefits of the mainstream economy. The BEE Act seeks to promote the achievement of the constitutional right to equality, increase broad-based and effective participation of black people in the economy, and promote a higher growth rate, increased employment and more equitable income distribution.

It establishes a national policy on broad-based black economic empowerment so as to promote the economic unity of the nation, to protect the common market, and to promote equal opportunity and equal access to government services. The South African Government believes that unless these steps are taken to increase the effective participation of the majority of South Africans in the economy, the stability and prosperity of the economy in the future may be undermined to the detriment of all South Africans, irrespective of race.

The BEE Act establishes the Black Economic Empowerment Advisory Council which will be chaired by the President and will include four cabinet ministers and between ten and 15 other appropriate members. Whilst the Council is being formed, the BEE Task Team will manage the functions of the council. The BEE Task Team includes a number of significant local business leaders.

The BEE Act empowered the minister to issue the Codes of Good Practice ("Codes") and industry transformation charters in order to effect the economic transformation it sets out to achieve.

To date, six transformation charters have been released: the Mining Charter, the Maritime Transport & Services Industry Charter, the Forward and Clearing Industry Charter, the Tourism Charter, the Petroleum and Liquid Fuels Industry Charter and the Financial Sector Charter. All these charters have targets in order to achieve the economic transformation in their respective industries. However, the Codes, final drafts of which were released in October 2005, provide the underlying common targets for all industries. In effect, if a company complies with the Codes, it will comply with its respective industry charter.

The Codes address economic transformation through documents that provide a scorecard which companies can use to rate their compliance with transformation. Companies are allocated points based on the extent of compliance with targets for the following elements: black ownership, management control, employment, skills development, preferential procurement, enterprise development and corporate social investment. Each of these elements has different weightings and targets in determining the ultimate score of a company and hence its compliance. For example, equity ownership accounts for one fifth of the overall score with a targeted equity ownership of more than 25 per cent.

Additionally, the Codes regulate the release of further industry transformation charters and provide a framework for accredited agents that verify and rate a company's compliance with the Codes. Ratings are required for companies with revenue exceeding R20 million (£1.8 million) and more than 50 employees.

The investment opportunity in South Africa

South Africa is in the process of transforming from a country controlled by a white minority to one controlled by its black majority. Whilst political control changed hands more than ten years ago, the process of economic transformation has been far slower. However, the economic expectations of the black population are high and the SA Government is making economic transformation one of its highest priorities.

The South African Government has adopted a strategy of economic transformation through Black Economic Empowerment under which companies in South Africa have to adopt a BEE ownership participation in order to avoid becoming increasingly marginalised. The transfer of ownership is typically undertaken using special purpose investment companies and the Directors believe that this has created an

attractive opportunity for investment in such companies. BEE transactions are often characterised by a prescribed selling process within a defined time period resulting in a large number of investment opportunities becoming available to only a limited number of largely under-funded investors. This imbalance has provided a significant opportunity for the providers of capital to obtain attractive investment terms.

As a result of this process, the Directors expect companies with operations in South Africa with annual turnover of at least R5 million (£446,000) to consider implementing empowerment transactions within the next three to five years. Although the formal timetable is longer, there are first mover advantages to early adopters and there will be trading disadvantages in terms of competitiveness on those who are less proactive. Accordingly, there are a large number of BEE transactions currently being implemented and in need of funding and structuring.

There are a limited number of BEE groups able to participate in investing, reflecting the early nature of the transformation process. Transactions have tended to concentrate around BEE companies with established balance sheets and resources to effect transactions, a consequence of which is that only a limited number of BEE investor groups have emerged in the BEE market in South Africa.

The difficulty in obtaining financial support has been exacerbated by a lack of non-governmental funding for the equity element of BEE deals.

The South African Government's medium-term aim is to achieve a 25 per cent black ownership target on the JSE in terms of total market capitalisation. Since 1994, it is estimated that R150 billion (£13.4 billion) of funding has been provided for BEE transactions. This is substantially short of the 25 per cent BEE ownership target which in respect of the JSE alone is, at current levels, approximately R875 billion (£78.1 billion) in value. The JSE represents approximately one third of the total South African market size in terms of value of companies subject to BEE legislation.

To attempt to overcome this funding shortage and facilitate black ownership, various different financing transactions are increasingly used. These may typically involve vendor finance, derivatives and convertibles. BEE groups are often able to invest at discounted prices with minimal or no equity through highly leveraged SPVs (special purpose vehicles) providing them with a potentially valuable stake in the future growth of the company. In effect, the BEE partners gain immediate participation in the company but ownership only when the option is exercised. Often, such transactions are financed with an equity element of less than 5 per cent resulting in a high degree of leverage.

More recently, further opportunities have arisen in connection with black empowerment where transactions undertaken in recent years have developed substantial equity value. The participants in such transactions often remain locked within illiquid SPV structures over subsequent years and may seek an earlier realisation of at least part of the value accrued on their investment. The Company may seek to participate in such realisations where investments can be made at a substantial discount to estimated market values.

The South African economy has grown strongly in recent years reflected by a GDP growth rate of 4.5 per cent in 2004 and an annualised growth rate of 4.9 per cent in the first nine months of 2005. The South African Government has targeted 6 per cent per annum GDP growth in 2010. South Africa is no longer a primary sector based economy, with the majority (82 per cent) of GDP contribution from tertiary sectors of manufacturing, finance and other services. The Directors believe that this generally favourable macroeconomic environment should assist the wealth creation process.

The JSE is the largest equity market in Africa with a market capitalisation of approximately R3,500 billion (£312.5 billion) and was the 18th largest in the world as at November 2005. It has an average daily turnover of trades in securities of approximately R4 billion (£357 million). The aggregate market capitalisation of all quoted companies trading on the JSE, including new entrants, grew by 21.9 per cent in 2004 and by 33.3 per cent in the first nine months of 2005. South Africa is stable economically and politically with expected growth in excess of 6 per cent GDP per annum. The Directors believe that South Africa represents a solid investment environment having achieved a balance between fiscal discipline and economic growth.

Terms of the Investment Advisory Agreement

The Company, in pursuance of its changed investing strategy to make investments in BEE opportunities in South Africa, has conditionally entered into the Investment Advisory Agreement with Blackstar Managers.

Under the terms of the Investment Advisory Agreement, (which is conditional upon Shareholders' approval and completion of the Placing), Blackstar Managers has been appointed to provide advice on BEE investment opportunities to the Company. In return, Blackstar Managers will charge an annual investment advisory fee representing 2 per cent of committed capital subject to a minimum fee of £100,000 per annum

and a maximum fee of £400,000 per annum provided that, if the funds available for investment by the Company should exceed £20 million, the Directors will consider increasing this fee to reflect the additional work which Blackstar Managers will be required to undertake, provided always that the fee shall not exceed two per cent of the funds available for investment. In addition, there will be a performance fee equal to 20 per cent of the gain on investments realised by the Company, subject to a 10 per cent hurdle and making good any investment write-downs and management-related expenses. Currently, this performance fee will be distributed as to 66.5 per cent to Blackstar Managers, 23.5 per cent directly to family trusts associated with Julian Treger and 10 per cent to Shore Capital Trading Limited. The interests of the family trusts associated with Julian Treger and Shore Capital Trading Limited will be aligned on a *pari passu* basis going forward. If the Company introduces co-investors into BEE opportunities presented to it by Blackstar Managers, the Company will be entitled to receive 30 per cent of any performance fee received by Blackstar Managers which is attributable to the monies invested by those co-investors.

In connection with its appointment under the Investment Advisory Agreement, Blackstar Managers has appointed BMSA to provide investment advisory services and advice on strategic decisions in relation to BEE investment opportunities.

Julian Treger, Blackstar Managers and Shore Capital Trading Limited have each undertaken to give exclusivity to the Company with regard to all potential BEE opportunities of which they become aware for potential investment.

Further details of the Investment Advisory Agreement are set out in paragraph 9.2 of Part 4 of this Document.

In connection with these arrangements, Andrew Bonamour and the Company have entered into a separate letter agreement dated 30 December 2005, whereby Andrew Bonamour has given a non-competition undertaking in favour of the Company. In accordance with the terms of this undertaking, unless the Investment Advisory Agreement is terminated by Blackstar Managers for cause or the Shareholders vote to terminate the Investment Advisory Agreement, Andrew Bonamour will not, for a period of twelve months from the date of the termination of the Investment Advisory Agreement or cessation of employment (as the case may be), amongst other things, (i) carry on, or be interested in any business which competes with the Company's business of investing in BEE opportunities in South Africa, (ii) solicit any employees of the Company, and (iii) use any confidential information in his possession relating to the Company.

Pursuant to the terms of an agreement dated 30 December 2005, entered into between the Company and Blackstar Managers, the shareholders of Blackstar Managers have granted a call option to the Company whereby the Company has an option to purchase 50 per cent of the issued share capital of Blackstar Managers from the existing shareholders in Blackstar Managers. The call option is exercisable during a period commencing on the second anniversary of the date of Admission and ending on the third anniversary of such date, at a price equal to the aggregate of 50 per cent of (i) four per cent of the funds under management by Blackstar Managers at that time plus (ii) any rights to receive performance fees outstanding on the date on which the option is exercised.

Blackstar Managers

Blackstar Managers is a newly formed management company registered in the British Virgin Islands established by Andrew Bonamour. The majority of Blackstar Managers is owned by family trusts of which Andrew Bonamour is a potential beneficiary.

The Directors believe that Blackstar Managers, through its sub-advisory relationship with BMSA, is well positioned to source attractive BEE investment opportunities as a result of BMSA's management team having:

- well-established relationships with South African corporate and institutional decision makers and BEE groupings;
- long standing relationships with the major providers of debt capital in South Africa; and
- proven skills in analysing, structuring and implementing transactions.

1. Investment focus

Blackstar Managers intend to focus on primary and, more particularly, on secondary BEE investment opportunities.

The Directors consider that there are significant opportunities for investment in companies initially undergoing BEE transformation ('primary' investment opportunities) and in those companies having already been subject to BEE investment where investors are now seeking partial realisations ('secondary' investment opportunities).

2. Investment sourcing and transaction execution

Blackstar Managers will seek to source investment opportunities through a proactive and reactive investment strategy including research-based idea generation and exploiting relationships and contacts that include lawyers, accountants, investment banks, South African corporates and trade unions, BEE groups and mergers and acquisitions specialists.

Blackstar Managers will screen companies seeking BEE investments. In the screening of investment opportunities for the Company, Blackstar Managers will seek to utilise the experienced input and advice of the Directors and other relevant individuals.

Each potential investment will be subject to a stringent evaluation process and Blackstar Managers will engage the services of professional advisers for valuations, where appropriate. Concurrently with initiating negotiations on price and funding structuring alternatives, a review of the industry, business, legal and accounting positions will be undertaken, generally culminating (if successful) in the validation or preparation of an investment proposal. Subject to initial approval by the Directors, Blackstar Managers will then commence a due diligence review with specialists and the negotiation of a letter of intent and/or a conditional contract. The investment proposal will also be subject to independent review by third party professional advisers prior to submission to the Directors. The final investment decision will be made by the Board.

3. Investment monitoring

Investments will be regularly monitored on an ongoing, proactive basis with the intention of enhancing the strategic profile and profitability of each portfolio company. Where appropriate, Blackstar Managers will aim to influence the growth and development of, and distribution by, the portfolio company, including dividend policies, acquisitions and disposals.

Blackstar Managers will provide detailed quarterly reports including valuations to the Directors based on management's estimates of net asset values, which will be published by the Company. It will also report any significant events in, or affecting, portfolio companies as it becomes aware of them.

4. Funding structure

Blackstar Managers will seek to assist the BEE investors add value to their transactions by facilitating their participation, structuring negotiations, monitoring their investments and engaging to influence strategy and operations in order to maximise realisations of, and returns from, investments.

Blackstar Managers will structure investments for the Company in BEE opportunities through SPVs in order to enhance returns and limit risk. Each investment in an SPV may be structured differently.

For primary transactions, Blackstar will invest risk capital into an SPV alongside the BEE partners who are investing in the target company. Each SPV will be deal specific and may involve a combination of BEE partners and each SPV will contain individually tailored investment structures and agreements including board representation to ensure adequate control procedures. The BEE partners will own a minimum of 50.1 per cent of the SPV and there will be an agreement governing the relationship between the BEE partners and the Company. The Company will receive a preferred return on the risk capital provided as well as up to 50 per cent of the remaining upside of the SPV once it has its capital back. The SPV will be required to pay down the Company's preferred funding at the earliest reasonable opportunity or until a satisfactory debt to equity ratio is in place, essentially ensuring equity funding first-in-first-out position. Exit mechanisms for the Company will be built into each transaction. The Company will encourage the BEE partners to put up some of their own risk capital in order to align interests. Investment in these SPVs can also be designed to be realised automatically when they reach a certain equity valuation.

For secondary BEE transactions, Blackstar Managers will focus on opportunities for the Company to provide funding to BEE consortia with completed investments in publicly quoted companies where such investments are "in the money" and where BEE investors have yet to realise any value. When the Company acquires the economic participation in a secondary BEE investment opportunity, the BEE partner will remain in the funding structure. The Company will buy-out a portion of the BEE parties' economic

participation within the particular SPV/company. This will be achieved by buying the participation at a discount to the current market value of the equity.

5. *Investment realisation*

The average period of investment in an SPV is expected by the Directors to be between five and seven years although, depending upon the circumstances, earlier realisations may be effected.

For primary BEE transactions, the Company's exit from the SPV will be structured to contain a put option from the Company to its BEE partners on termination or sooner. Once there is equity value in the SPV then the BEE partners may undertake a second round of financing and seek to buyout the Company's equity in the SPV at a reasonable market price, or based on an earnings multiple of the underlying investee company. This realisation from the SPV will include both the Company's preferred return and equity in the SPV leaving the BEE partners owning 100 per cent of the proportion of the underlying investment.

If the investment has not performed satisfactorily and the BEE partners do not have access to the resources to fulfil the put requirement, there will be an obligation that the SPV will be liquidated and a distribution *in specie* made to its investors who will be free to dispose thereof. The SPV will obtain prior permission from the investee company that in such circumstances the Company will agree that such shares are fully tradable and not subject to sale only to other BEE groups. Blackstar Managers will ensure that each investee company is appropriately empowered.

Secondary BEE transactions will typically be in SPVs that have underlying investments in quoted companies. The Company's realisation is expected to be through the receipt and disposal of those quoted stocks on the unbundling of the SPVs. The SPVs should typically unbundle after a specified time period or after a certain financial performance by the underlying quoted stock.

Overview of existing BEE investment opportunities

The Directors will ensure that any participation by the Company in BEE investment opportunities will be fully compliant with all applicable South African laws and regulations including the BEE Act.

The Directors have identified two BEE opportunities for investment by the Company, for which, Blackstar Managers has entered into exclusivity arrangements, comprising a primary transaction in the manufacturing sector and a secondary transaction in the resources sector. The aggregate cost of the investments by the Company in these transaction is expected to be approximately R53 million (£4.7 million).

A. Eurosteel Group

The Company, together with Capricorn, have formed a consortium with Siyahamba Engineering (Pty) Ltd (the "Siyahamba Consortium") to fund a primary BEE SPV to acquire 35.857 per cent of Eurosteel. The acquisition is proposed to take place on a holding company level. The Eurosteel group, currently consisting of 13 operational units (all privately owned, registered South African companies) will, following the restructuring, become the subsidiary companies of the holding company, named Eurosteel Group (Pty) Ltd. It is contemplated that Eurosteel Group (Pty) Ltd will hold 70 per cent of all subsidiary companies, save for two (in which it will hold 60 and 53.25 per cent respectively). The restructuring will be finalised once the holding company has acquired the shareholding in the subsidiaries. Agreements necessary for the implementation of the restructuring are being negotiated. The investment in the Eurosteel group is in any event conditional on the restructuring being finalised to the satisfaction of the shareholders of the BEE SPV.

In connection with this, the Siyahamba Consortium has entered a signed memorandum of understanding with the chief executive officer of Eurosteel which sets out the offer to purchase shares in the holding company following the restructuring. It contains a number of conditions precedent including (i) the conclusion of a binding contract, and (ii) completion of a due diligence review to the satisfaction of Capricorn and the Company. Subject to the conditions precedent being fulfilled, the Siyahamba Consortium will invest in a holding company through the SPV; and a draft agreement is currently being negotiated to be entered into between the Siyahamba Consortium and certain investors. This provides for *inter alia* the Siyahamba Consortium to purchase 35.857 per cent of the issued share capital of the holding company, Eurosteel Group (Pty) Ltd, which in turn will hold shares in the capital of the subsidiary companies as outlined above. The total value of the investment is expected to be R30 million (£2.7 million) and the proposed investment by the Company is expected to be R7 million (£625,000). The balance will be funded by Capricorn, which will also take a 14.286 per cent stake in the issued share capital of the holding company. At the above valuations, the implied historic entrance multiples (based on the published results of Eurosteel for the year ended February 2005) are EBITDA of 2.2 times and profit after taxation of 4.3 times.

Eurosteel's business

Eurosteel is a supplier of specialised stainless steel plate, sheet and related products in South Africa. It is the second largest supplier of stainless steel in South Africa with approximately 15 per cent of the market share (Macsteel Pty Limited is the largest with a market share of approximately 35 per cent). It has a wide geographic spread in all key markets in South Africa as well as some related business in the surrounding countries including Zambia, Mozambique and Namibia. The business has grown substantially over a relatively short period. Revenue for the year ended February 2005 was R590 million (£52.7 million) with EBITDA of R53 million (£4.7 million) and profit after taxation of R28 million (£2.5 million). The Directors believe that Eurosteel is ideally positioned for growth both within South Africa and Africa due to investments in infrastructure including construction for the 2010 soccer world cup, railways, harbours, and other governmental initiatives (projected capital expenditure over the next five years is R124 billion (£11.1 billion)) as well as fixed asset spending by companies due to the low interest rate environment.

Eurosteel has been moving into downstream value added stainless steel opportunities in the last few years, resulting in an increase in margins. Additionally, growth is expected by the Directors from the new supply arrangement of aluminium products. The Directors believe that Eurosteel has a capable management team and is a strong cash flow generator.

The Directors believe that an investment in Eurosteel will result in attractive returns for Shareholders. Blackstar Managers has agreed the right for the Company to restructure the SPV in order to engineer a realisation of the Company's share in the SPV, including a possible listing. Furthermore, Eurosteel currently has no gearing so the opportunity exists to gear the balance sheets and pay the cash to investors which the Directors believe would have a marked and positive effect on the return on the Company's investment.

B. Resources opportunity

Blackstar Managers has identified a BEE opportunity for the Company to purchase an indirect beneficial interest of 4.65 per cent in a significant South African-based resources group entity for R46 million (approximately £4.1 million), subject to, *inter alia*, (a) Blackstar Managers conducting satisfactory due diligence (b) Blackstar Managers and the seller concluding comprehensive agreements giving effect to the proposed investment and (c) such third party consents and approvals as may be necessary in relation to the proposed investment being obtained.

Luxembourg tax residence

Subject to Shareholders' approval, it is the intention of the Directors to conduct the affairs of the Company in such a way that it becomes resident in Luxembourg. In order to do so, the Company will establish a principal place of business in Luxembourg and the effective management of the Company will be located in Luxembourg. Further details of the taxation implications of having a residence in Luxembourg for both the Company and its Shareholders are set out in paragraph 10 of Part 4 of this Document.

In order to establish a principal place of business in Luxembourg, it will be necessary, amongst other things, for the Company to:

- amend its existing memorandum of association and adopt new articles of association, which will be notarised by a public notary in Luxembourg, in order to comply with the laws of Luxembourg and England and Wales (detailed summaries of which are set out in paragraph 4 of Part 4 of this Document); and
- hold general meetings of the Company in Luxembourg.

In the event that the Resolutions are passed at the EGM, a duly appointed representative of the Company will be instructed to have the amended memorandum of association and new articles of association notarised before a public notary in Luxembourg.

In order to comply with the laws of Luxembourg, certain provisions will have to be included in the articles of association to be adopted at the EGM. In particular:

- the articles of association will be required to specify the date for the Company's annual general meeting, and it is proposed that this will be held on the last Friday in June (thereby complying with both Luxembourg law and the AIM Rules' requirement that a company's annual accounts shall be approved within six months of the company's financial year end);
- the Directors will not be entitled to appoint alternate directors;

- the Directors will all be required to retire before each annual general meeting of the Company, whereupon it is intended that each such Director will be proposed for immediate re-election by Shareholders; and
- due to a Luxembourg legal requirement, the Company will be required to include a provision in its articles of association whereby the Directors will be required to set aside five per cent from the Company's net profits to a reserve fund. Such an obligation will cease to be mandatory when the amount of such reserve fund reaches one-tenth of the Company's issued share capital.

As set out in the notice of EGM at the end of the Circular, the EGM will be held at 5 Norwich Street, London EC4A 1BD on 25 January 2006. However, it is proposed that all future general meetings of the Company will be held in Luxembourg. Shareholders will still be entitled to attend and vote at such meetings and/or appoint one or more proxies (who need not be a Shareholder) to attend and, on a poll, to vote instead of that Shareholder.

The Company's investing strategy

The Directors, in accordance with the AIM Rules, will propose a resolution at each annual general meeting of the Company for approval by Shareholders of the Company's investing strategy.

In addition, the Directors currently intend to undertake an annual strategic review of the Company and its investments.

Share buy-back proposal

The Directors are seeking authority at the EGM for the Company to buy-back its share capital and will consider market purchases should the share price trade at a discount to the net asset value of the investments.

Directors

Julian Treger, aged 43, Non-executive Chairman

Julian Treger, who grew up in South Africa, has been involved in the corporate finance and securities investment business since graduating from Harvard College (Magna Cum Laude) in 1984. After starting at Hambros Bank in corporate finance (M&A division), he joined the J Rothschild Group (working directly with Lord Rothschild) to manage a portfolio of venture capital investments in both the UK and abroad and in providing corporate finance services to clients. In 1993, together with Brian Myerson, he founded AVA where he is Joint Managing Director. AVA is principal adviser to the Active Value Funds, which invest in distressed and/or significantly underperforming public companies in the United Kingdom and Continental Europe. AVA has advised nine funds and four co-investment vehicles. Julian, who has been a director of several South African companies, recently established Audley Capital in London as an onshore advisory business to a hedge fund and a private equity fund whilst he continues to serve a number of other directorships.

David Brock, aged 56, Non-executive Director

David Brock was until July 1997 a main board director of MFI Furniture Group plc and managing director of MFI International Limited, having been involved at a group board level in both MFI's management buy-out and subsequent flotation. He started his career at Marks & Spencer Group plc. He currently chairs a number of venture capital-backed companies including JN (Holdings) Limited, Americana International Limited, Episys Limited, Actif Group plc, various Puma VCT companies and Elderstreet VCT plc. He is interested in venture capital as both an investor and as an adviser to various funds.

Andrew Bonamour, aged 34, Proposed Non-executive Director

Andrew Bonamour has extensive experience in the financial services industry. Andrew was CEO and co-founder of Purple Capital Limited. Andrew's broad range of experience includes transaction identification, valuation and structuring, execution and support activities. Andrew previously worked at Brait S.A. Limited where he held positions in investment banking, principal investment divisions and corporate finance. At Brait, Andrew originated and played a lead role in a variety of transactions ranging from leveraged buyouts, and mergers and acquisitions to capital replacements and restructurings. Andrew has an in depth knowledge of, and experience in, corporate finance and investment banking. Andrew has a broad range of knowledge of the securities, investment and advisory industry in South Africa. Andrew holds a Bachelor of Commerce degree.

Dr Denis Worrall, aged 70, Proposed Non-executive Director

Dr Denis Worrall is a political scientist and lawyer by training. He has taught at universities in South Africa, Nigeria and the USA; edited the first general textbook on the South African Government and politics; practised as an advocate; was in public life in South Africa from 1974 to 1994; and was South Africa's Ambassador to Australia (1982-1984) and the United Kingdom (1984-1987), when he resigned for political reasons. He was subsequently a founder and co-leader of the Democratic Party. In 1987, he established Omega Investment Research (Pty) Ltd, a corporate advisory and event management firm with offices in Cape Town, London and Perth. Dr Worrall is former Vice Chairman of the International Bank of Southern Africa; Managing Director of D.O.C. Finance S.A. (South Africa) (Pty) Ltd; former Chairman of Australian mining company Crown Diamonds N.L.; Chairman of Senior Investors (a South African financial services company); a director of various private companies, and a consultant to the World Bank and several multinational corporations. He is also the Chairman of the South African Formula One Grand Prix Bid Company.

Wolfgang Baertz, aged 65, Proposed Non-executive Director

Wolfgang Baertz has significant experience within the banking sector over the previous 40 years. From 1968, he has been with Dresdner Bank initially in Frankfurt and for most of his career in Luxembourg and where he held the positions of Head of Loans and Syndications Department (1970-1979), General Manager (1979-1982), Managing Director and Member of the Board of Directors (1982-1997) and President (1997-2003).

The Directors are currently considering candidates for the appointment of two additional Non-executive Directors who would also be based in Luxembourg.

Key members of Blackstar Managers and BMSA

Andrew Bonamour, Proposed Director and managing partner

Andrew Bonamour's details are set out above.

William Marshall-Smith, aged 27, investment professional

William Marshall-Smith worked for Deloitte & Touche in their financial services division, during which he served a variety of multi-national financial services companies in Cape Town, New York, Miami and the Isle of Man. Clients included financial services companies involved in private equity and funding of BEE transactions. He is the co-founder of Thuthuka, a corporate advisory and private equity business providing BEE advisory services. William is a Chartered Accountant.

Dr James Myers, aged 65, non-executive chairman of BMSA

Jim Myers has significant financial and commercial experience within the US and also in South Africa particularly in the telecommunications sector. He was president of the American Chamber of Commerce from 1997 to 2000 and managed the American Chamber of Commerce of Southern Africa. He is an American citizen.

Related party transactions

Julian Treger is deemed to be a related party under the AIM Rules as, in addition to being a Director and a possible beneficiary of discretionary trusts which own E2Investors Limited and which is interested in 15.66 per cent of the issued share capital of the Company, funds associated with him have a beneficial interest in Blackstar Managers. Funds associated with Julian Treger are entitled to share in any performance fee payable by the Company under the terms of the Investment Advisory Agreement. A family trust associated with him is a major shareholder in Audley Capital which has agreed to provide financial advisory services to the Company. The Transaction therefore represents a related party transaction. The Independent Director having consulted with the Company's nominated adviser, Shore Capital, considers that the terms of the Transaction are fair and reasonable insofar as Shareholders are concerned.

Shore Capital Trading Limited is deemed to be a related party under the AIM rules because, in addition to being a substantial shareholder in the Company, it is also entitled to share in any performance fee payable by the Company under the terms of the Investment Advisory Agreement. Shore Capital Trading Limited has confirmed that it will not vote on the resolution approving this related party transaction at the EGM on 25 January 2006.

Andrew Bonamour is also deemed to be a related party under the AIM Rules as, in addition to being a Proposed Director, he is a potential beneficiary of family trusts which own Blackstar Managers which is proposing to enter into the Investment Advisory Agreement with the Company.

The Placing

The Company proposes to raise funds following the EGM by a placing of up to 50 million new Consolidated Shares with institutional and other investors in order to be able to commence the implementation of its investing strategy to invest in BEE opportunities in South Africa. The price at which the new Consolidated Shares are expected to be placed in connection with the Placing will be £1 per new Consolidated Share (the “Placing Price”), equivalent to 5p per Ordinary Share.

In connection with these arrangements it is proposed that a placing agreement is entered into between the Directors (i), the Company (ii), Shore Capital (iii), and Shore Capital Stockbrokers Limited (iv) whereby Shore Capital will use its reasonable endeavours to procure subscribers for Consolidated Shares (which are the subject of the Placing) at the Placing Price. The Placing will not be underwritten. Pursuant to the Placing Agreement, it is expected that the Company and certain of the Directors will give certain warranties and indemnities to Shore Capital regarding, *inter alia*, the accuracy of the information in this Document.

Under the terms of the Placing Agreement, it is proposed that (i) the Company will pay all the expenses of and incidental to the Placing including the fees and costs of professional advisers and all costs relating to the Placing and (ii) Shore Capital will be entitled to a commission of five per cent of the first £5 million raised in the Placing and four per cent of any additional funds raised in the Placing.

Julian Treger has confirmed that funds associated with him would invest £0.5 million in any Placing and David Brock has confirmed that he will invest £100,000 in any Placing.

Lock-in arrangements

Pursuant to the Placing Agreement, each of David Brock, Andrew Bonamour and Julian Treger will undertake with Shore Capital that they will not (and that they will use all reasonable endeavours to procure that persons and trusts connected with them will not), subject to certain limited exceptions, dispose of any shares (or interests therein) in the capital of the Company at any time prior to the later of the publication by the Company of its annual accounts for the financial period ending 31 December 2006 and 30 June 2007 without the prior written consent of Shore Capital and (subject to certain conditions) during that period of restriction (if so permitted) and for a further period of one year thereafter only to do so through the Company’s broker from time to time so as to ensure an orderly market in the Ordinary Shares. In addition, pursuant to an agreement to be entered into between the Company and Shore Capital Trading Limited, Shore Capital Trading Limited will undertake not to dispose of any of its current shareholding in the capital of the Company, subject to certain limited exceptions, at any time prior to the later of the publication by the Company of its annual accounts for the financial period ending 31 December 2006 and 30 June 2007.

Investment considerations

The Directors believe the Company will be well positioned in the South African corporate market to attract, structure, and implement BEE transactions. The Directors believe that potential investors should take into account the following investment considerations:

- **opportunity:** the South African Government’s drive for economic transformation has resulted in the current opportunity for participation in BEE transactions at attractive valuations;
- **deal flow:** there are currently a substantial number of BEE investment opportunities available in major companies operating in South Africa; an early and successful track record should result in further deal flow;
- **management skills:** the combination of the Directors and the members of Blackstar Managers brings significant experience in investment with an extensive range of contacts within the South African financial community; and
- **foreign investors:** as a result of the limited and highly leveraged financial structuring mechanisms applied within South Africa to BEE investments, there is a significant opportunity for participation from foreign equity capital.

The City Code

The City Code currently applies to the Company. The City Code does not apply to listed companies not resident in the United Kingdom and would not apply to any offer made to Shareholders to acquire their shares in the Company made subsequent to the establishment of the Company’s principal place of business in Luxembourg.

Shareholders should note that, once the Company transfers its principal place of business to Luxembourg, which the Directors intend to do if the Resolution numbered 10 set out in the notice of the EGM is passed at

the EGM, they will not receive the protections afforded by the City Code in the event that there is a subsequent offer to acquire their shares in the Company.

Brief details of the Panel, the City Code and the protections given by the City Code are described below. Before giving your consent to the re-registration of the Company, you may want to take independent professional advice from an appropriate independent financial adviser.

The City Code is issued and administered by the Panel and applies to all takeover and merger transactions, however effected, where the offeree company is a public company, whether quoted or unquoted, incorporated and resident in the United Kingdom, the Channel Islands or the Isle of Man. Illuminator is a company to which the City Code currently applies and its shareholders are accordingly entitled to the protections afforded by the City Code.

The City Code and the Panel operate principally to ensure fair and equal treatment of shareholders in relation to takeovers. The City Code also provides an orderly framework within which takeovers are conducted. The City Code has not, and does not seek to have, the force of law. It has, however, been acknowledged by both government and other regulatory authorities that those who seek to take advantage of the facilities of the securities markets in the United Kingdom should conduct themselves in matters relating to takeovers in accordance with high business standards and so according to the City Code.

The City Code is based upon a number of General Principles which are essentially statements of good standards of commercial behaviour. The General Principles apply to all transactions with which the City Code is concerned. They are, however, expressed in broad general terms and the City Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose; the Panel may modify or relax the effect of their precise wording accordingly.

In addition to the General Principles, the City Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter and the Panel may modify or relax the application of a Rule in certain circumstances.

The General Principles of the City Code are as follows:

1. All shareholders of the same class of an offeree company must be treated similarly by an offeror.
2. During the course of an offer, or when an offer is in contemplation, neither an offeror, nor the offeree company, nor any of their respective advisers may furnish information to some shareholders which is not made available to all shareholders. This principle does not apply to the furnishing of information in confidence by the offeree company to a *bona fide* potential offeror or vice versa.
3. An offeror should only announce an offer after the most careful and responsible consideration. Such an announcement should be made only when the offeror has every reason to believe that it can and will continue to be able to implement the offer: responsibility in this connection also rests on the financial adviser to the offeror.
4. Shareholders must be given sufficient information and advice to enable them to reach a properly informed decision and must have sufficient time to do so. No relevant information should be withheld from them.
5. Any document or advertisement addressed to shareholders containing information or advice from an offeror or the board of the offeree company or their respective advisers must, as is the case with a prospectus, be prepared with the highest standards of care and accuracy.
6. All parties to an offer must use every endeavour to prevent the creation of a false market in the securities of an offeror or the offeree company. Parties involved in offers must take care that statements are not made which may mislead shareholders or the market.
7. At no time after a *bona fide* offer has been communicated to the board of an offeree company, or after the board of the offeree company has reason to believe that a *bona fide* offer might be imminent, may any action be taken by the board of the offeree company in relation to the affairs of the company, without the approval of the shareholders in general meeting, which could effectively result in any *bona fide* offer being frustrated or in the shareholders being denied an opportunity to decide on its merits.

8. Rights of control must be exercised in good faith and the oppression of a minority is wholly unacceptable.
9. Directors of an offeror and the offeree company must always, in advising their shareholders, act only in their capacity as directors and not have regard to their personal or family shareholdings or to their personal relationships with the companies. It is the shareholders' interests taken as a whole, together with those of employees and creditors, which should be considered when the directors are giving advice to shareholders. Directors of the offeree company should give careful consideration before they enter into any commitment with an offeror (or anyone else) which would restrict their freedom to advise their shareholders in the future. Such commitments may give rise to conflicts of interest or result in a breach of the directors' fiduciary duties.
10. Where control of a company is acquired by a person, or persons acting in concert, a general offer to all other shareholders is normally required; a similar obligation may arise if control is consolidated. Where an acquisition is contemplated as a result of which a person may incur such an obligation, he must, before making the acquisition, ensure that he can and will continue to be able to implement such an offer.

Under Rule 9 of the City Code, any person who acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30 per cent or more of the voting rights of a company, is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company.

Rule 9 of the City Code also provides, *inter alia*, that where any person, together with persons acting in concert with him, holds shares carrying not less than 30 per cent but not more than 50 per cent of the voting rights and such person, or any person acting in concert with him, acquires additional shares, such person is required to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company.

An offer under Rule 9 must be in cash and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

Current trading

At the Annual General Meeting of the Company held on 8 December 2005, the Chairman commented:

“Illuminator continues to search for a ‘reverse takeover’ of a business seeking to utilise Illuminator’s cash assets and, in particular, its AIM quotation. We remain confident that such a transaction will be forthcoming.”

Dividend policy

The Directors believe that the Company should seek to generate capital growth for its Shareholders and therefore Shareholders should not expect to receive dividends in the short term. The Directors may recommend distributions at some future date, depending on the realisations made from its investments and subject to having appropriate distributable reserves (although, it should be noted that the Company does not currently have sufficient distributable reserves to make such distributions).

Shareholders should consider carefully the taxation effects of distributions set out in paragraph 10 of Part 4 of this Document.

Corporate governance

The Company intends to comply, as far as is appropriate, with the Principles of Good Governance and Code of Best Practice (the “Combined Code”). The Directors have adopted the AIM Model Code and have appointed an audit committee and a remuneration committee.

The audit committee consists of two non-executive Directors. It will meet at least twice each year and will be responsible for ensuring that the financial performance of the Company is properly monitored and reported on. The audit committee will also meet with the auditors and review the reports from the auditors relating to accounts and internal control systems. It will meet with auditors once a year without executive Directors being present.

The remuneration committee consists of two non-executive Directors. It will review the performance of executive Directors (if applicable) and set the scale and structure of their remuneration and review the basis

of their service agreements with due regard to the interests of Shareholders. No Director is permitted to participate in discussions or decisions concerning his own remuneration.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Articles will permit the holding of Consolidated Shares under the CREST system. The Company has applied for the Consolidated Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Consolidated Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Benefit of the Proposals and effect on Shareholders

The Directors believe that the change of investing strategy will give Shareholders the opportunity to benefit from returns on the Company's investments in BEE opportunities which they expect to make at a discount to estimated market values.

In order to be able to participate in such opportunities, the Directors are seeking to raise funds following the EGM in the Placing.

However, an effect of the Placing will be to dilute significantly the existing interests of Shareholders in the Company which may result in their aggregate existing interests representing less than one per cent of the Enlarged Share Capital. In order for the Company to implement its strategy in a tax-efficient manner, the Directors are proposing to establish a principal place of business in Luxembourg following the EGM. While this would result in the Company no longer being subject to the provisions of the City Code, the Directors are proposing to adopt key provisions of the City Code within the Company's amended articles of association.

As a consequence of the transfer to Luxembourg, the Directors are proposing the Consolidation whereby there will be a bonus issue of new Ordinary Shares on a non-pro rata basis to seek to ensure that all holdings are in multiples of 100 Ordinary Shares and then every 100 Ordinary Shares with a nominal value of 1p each will be consolidated into one Consolidated Share with a nominal value of £1 each. In addition, the Directors are proposing the Bonus Issue from the Company's capital redemption reserve on the basis of four new Consolidated Shares for every Consolidated Share on the Consolidation as follows:

Number of Ordinary Shares in issue at the date of this Document	<u>12,060,632</u>
Number of Ordinary Shares following initial bonus issue, estimated	<u>12,157,300*</u>
Number of Consolidated Shares following the Consolidation	121,573*
Number of new Consolidated Shares issued in the Bonus Issue	<u>486,292*</u>
Number of Consolidated Shares in issue following the Bonus Issue	<u>607,865*</u>

* The actual number of shares is subject to adjustment at the time of the Consolidation

The Directors consider that, in the event that the Proposals are not approved by Shareholders and implemented, there will be an adverse and material effect on the value of the Company as a significant proportion of its cash assets have been utilised in pursuing the Proposals for the benefit of the Company and its Shareholders.

Risk factors

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

Taxation

The attention of prospective investors is drawn to the taxation section in paragraph 10 of Part 4 of this Document.

Additional information

Your attention is drawn to the further information set out in Parts 3 and 4 of this Document.

Extraordinary General Meeting

Set out at the end of the Circular was a notice convening the Extraordinary General Meeting of the Company to be held at 5 Norwich Street, London EC4A 1BD at 2.00 p.m. on 25 January 2006 at which the following Resolutions will be proposed for the following purposes:

- to increase the Company's authorised share capital;
- to authorise the Directors to allot Consolidated Shares;
- to authorise the disapplication of statutory pre-emption provisions in connection with the issue of equity securities of the Company;
- to issue new shares to Shareholders;
- to consolidate every issued 100 Ordinary Shares into Consolidated Shares;
- to issue new shares to Shareholders in the Bonus Issue;
- to change the Company's name to Blackstar Investors PLC;
- to adopt new articles of association;
- to adopt a new investing strategy;
- to approve the Directors' proposals to establish the Company's principal place of business in Luxembourg;
- to amend the Company's existing memorandum of association;
- to approve the terms of the Investment Advisory Agreement and the payment of certain fees to trusts associated with Julian Treger;
- to approve the terms of a financial advisory agreement;
- to authorise the Company to purchase its own shares; and
- to authorise the appointment of a representative of the Company to arrange for the amended memorandum of association and new articles of association to be notarised before a public notary in Luxembourg.

The attention of Shareholders is also drawn to the voting intentions of the Directors set out in the paragraph below entitled "Recommendation".

Action to be taken

Whether or not you intend to be present at the meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so that it is received no later than 2.00 p.m. on 23 January 2006. **The completion and return of the Form of Proxy will not preclude you from attending the EGM and voting in person should you wish to do so.**

Recommendation

The Directors, who have been so advised by Shore Capital, consider that the change in investing strategy is in the best interests of the Company and its Shareholders. In providing advice to the Board, Shore Capital has taken into account the Directors' commercial assessments.

The Independent Director, therefore, recommends you to vote in favour of the Resolutions to be proposed at the EGM as he, together with family trusts associated with Julian Treger, have undertaken to do so in respect of their own beneficial holdings amounting to, in aggregate, 2,070,346 Ordinary Shares representing approximately 17.17 per cent of the issued share capital of the Company. In addition, Shore Capital Trading Limited has irrevocably undertaken to vote in favour of the Resolutions in respect of 1,436,913 Ordinary Shares representing 11.91 per cent of the issued share capital of the Company.

David Brock
Director

The Independent Director

PART 2

RISK FACTORS

In addition to all other information set out in this Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised and regulated under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal regulatory and tax requirements.

1. Market capitalisation

The market price of the Consolidated Shares may not reflect the underlying value of the Company.

2. Issue of shares

The Company needs to raise capital in order to implement its investing strategy and subsequently may seek to raise additional capital by way of the issue of new Consolidated Shares for further investments. Any equity financing may be dilutive to Shareholders. In addition there can be no assurance that such funding will be available to the Company.

3. Suitability

The investment offered hereby may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised and regulated under the Financial Services and Markets Act 2000 before making their decision.

4. AIM

The future success of AIM and liquidity in the market for the Consolidated Shares cannot be guaranteed. In particular, the market for the Consolidated Shares may be, or may become, relatively illiquid and therefore the Consolidated Shares may be or may become difficult to sell.

5. Nature of the Company's investments

An investment in the Company requires a long-term commitment, with no certainty of return. A high probability exists that there will most likely be little or no near-term cash flow available to investors. Many of the Company's investments will be highly illiquid and there can be no assurance that the Company will be able to realise such investments in a timely manner. Consequently, realisations of such investments may require a lengthy time period or may result in distributions *in specie* to the investors. The Company will invest in securities and other financial instruments using strategies and investment techniques having significant risk characteristics. Since the Company may only make a limited number of investments and since the Company's investments may involve a high degree of risk, the Company may lose all or substantially all of its investment in any particular instance. The investors may lose their entire investment, including principal.

6. Country risk

It is expected that all of the investments will be in companies operating in South Africa and thus the Company will have a concentrated country exposure. Whilst an effort will be made to diversify such exposure by making investments in multi-national companies, any problems in South Africa may affect the Company's net asset value.

7. Currency risk

As above, investors will be exposing themselves to the Rand which has appreciated over the past few years against the US Dollar. Whilst some commentators believe the Rand will appreciate further, historically the currency has been extremely volatile. The Company will seek to minimise such exposure by concentrating on companies with Rand hedge characteristics. The Company may also hedge its currency exposure from time to time.

8. Illiquid direct holdings

Whilst it is expected that a majority of the Company's underlying investments will be in quoted companies, the immediate direct investments will be in a series of private, illiquid SPVs. The Company will seek to negotiate appropriate exit mechanisms ideally involving put options and/or liquidation to realise its underlying holdings. Although, in most cases, it should be possible to mark-to-market the investments, investors should not expect continual and immediate liquidity for their investments.

9. Competitive nature of the Company's business

The Company will be competing for investments against other groups, backed by local institutional investors, investment managers, industrial groups and merchant banks owned by large and well-capitalised investors. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investment can be made.

10. Importance of the members of Blackstar Managers

The success of the Company depends in part on the skill and expertise of the members of Blackstar Managers as well as the other individuals employed to assist them. Whilst they have incentives in relation to their activities on behalf of Blackstar Managers and its affiliates, there can be no assurance that any of them will continue such employment.

11. Lack of operating history

Although the Directors and the management of Blackstar Managers have extensive experience advising and investing in the public and private equity markets, Blackstar Managers is a newly formed entity with no operating history upon which to evaluate the Company's likely performance.

12. General economic conditions

General economic conditions may affect the Company's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Company or considered for prospective investment. The Company is also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearing house.

13. Potential conflicts of interest

In the ordinary course of its business, Blackstar Managers may engage in activities in which its interests or the interests of its clients may conflict with or be adverse to the interests of the Company. In addition, such clients may utilise the services of Blackstar Managers and affiliates for which they will pay customary fees and expenses which will not be shared with the Company or the investors.

14. Material, non-public information

From time to time, Blackstar Managers or any of its affiliates may come into possession of material, non-public information concerning specific companies. Under applicable securities laws, this may limit Blackstar Managers' flexibility to advise the Company in relation to buying or selling securities issued by such companies. The Company's investment flexibility may be constrained as a consequence of Blackstar Managers' inability to use such information for advising on investments.

15. South African exchange control

Non-resident South Africans are not subject to exchange control (although South African subsidiaries and branches of foreign companies are treated as residents for exchange control purposes). Consequently, as a general rule, non-residents may freely invest in and divest from South Africa without restriction. All income is freely remittable abroad. It is however, a requirement of the Exchange Control Department of the South African Reserve Bank that share certificates representing shares held by a non-resident in a South African company be endorsed by one of the South African Reserve Bank's authorised dealers with the words "non-resident" for as long as such shares are held by non-resident investors.

16. Tax treatment

There may be changes in relevant tax laws or interpretations of such tax laws adverse to the Company or its investors. The Company and Blackstar Managers will attempt to structure the Company's investments in a tax-efficient manner. However, there can be no assurance that the structure of the Company or of any investment will be tax-efficient to any particular investor.

PART 3

ACCOUNTANTS' REPORT AND FINANCIAL INFORMATION ON THE COMPANY

Part 3A – Accountants' report on Illuminator PLC



The Directors
Illuminator PLC
22 Arlington Street
London SW1A 1RD

BDO Stoy Hayward LLP
Northside House
69 Tweedy Road
Bromley
Kent BR1 3WA

The Directors
Shore Capital and Corporate Limited
Bond Street House
14 Clifford Street
London W1S 4JU

18 January 2006

Dear Sirs

Consolidated Illuminator PLC (the “Company”) and its subsidiary undertakings (together the “Group”)

We report on the financial information on the Group for the years ended 31 December 2002, 31 December 2003, 31 December 2004 and the nine month period ended 30 September 2005, set out in Section B of Part 3. This financial information has been prepared for inclusion in the admission document dated 18 January 2006 of Illuminator PLC (the “Document”), on the basis of the accounting policies set out in Note 1 of the financial information. 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.

Responsibilities

As described in Section B of Part 3 of the Document, the directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with applicable UK accounting standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

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. 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 entity’s circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at 31 December 2002, 31 December 2003, 31 December 2004 and 30 September 2005 and of its consolidated losses and cashflows for the periods then ended in accordance with

the basis of preparation set out in Note 1 to the financial information and has been prepared in accordance with applicable UK accounting standards as discussed in Note 1 to the financial information.

We emphasise that we express no opinion on the Group's unaudited financial information for the period ended 30 September 2004.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the 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 Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

BDO Stoy Hayward LLP
*Chartered Accountants
and Registered Auditors*

Part 3B – Financial information on Illuminator PLC

Responsibility

The directors of Illuminator PLC are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with applicable UK accounting standards.

Consolidated profit and loss account

		<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£000</i>	<i>Audited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2005</i> <i>£000</i>	<i>Unaudited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2004</i> <i>£000</i>
Turnover	2	28	—	—	—	—
Cost of sales		(1)	—	—	—	—
Gross profit		27	—	—	—	—
Administrative expenses		(714)	(388)	(190)	(93)	(144)
Other operating income		49	1	2	2	—
Operating loss		(638)	(387)	(188)	(91)	(144)
Amounts written (off)/ back to investments		(141)	75	76	—	37
Loss on disposal of fixed asset investments		(3,367)	—	—	—	—
Loss on ordinary activities before interest and tax	3	(4,146)	(312)	(112)	(91)	(107)
Income from other investments		2	—	—	—	—
Interest receivable		138	19	14	4	13
Loss on ordinary activities before taxation	2	(4,006)	(293)	(98)	(87)	(94)
Taxation on loss from ordinary activities	6	—	—	—	—	—
Loss on ordinary activities after taxation		(4,006)	(293)	(98)	(87)	(94)
Dividends paid – equity		(4,979)	—	—	—	—
Retained loss for the financial period	14	(8,985)	(293)	(98)	(87)	(94)
					<i>Audited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2005</i> <i>Pence</i>	<i>Unaudited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2004</i> <i>Pence</i>
Loss per share						
Basic and diluted	7	(3.8)	(2.4)	(0.8)	(0.7)	(0.8)

All recognised gains and losses are included in the profit and loss account.

All amounts relate to continuing activities.

Consolidated balance sheet

		<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>
		<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
		<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>30 September</i>	<i>30 September</i>
		<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets						
Tangible fixed assets	8	—	—	—	—	—
Investments	9	50	125	201	201	162
		<u>50</u>	<u>125</u>	<u>201</u>	<u>201</u>	<u>162</u>
Current assets						
Debtors	10	25	22	12	9	18
Cash at bank and in hand		766	536	191	88	225
		<u>791</u>	<u>558</u>	<u>203</u>	<u>97</u>	<u>243</u>
Creditors: amounts falling due within one year	11	<u>(94)</u>	<u>(229)</u>	<u>(48)</u>	<u>(29)</u>	<u>(45)</u>
Net current assets		<u>697</u>	<u>329</u>	<u>155</u>	<u>68</u>	<u>198</u>
Total assets less current liabilities		<u>747</u>	<u>454</u>	<u>356</u>	<u>269</u>	<u>360</u>
Net assets	2	<u>747</u>	<u>454</u>	<u>356</u>	<u>269</u>	<u>360</u>
Capital and reserves						
Called up share capital	13	121	121	121	121	121
Share premium account	14	—	—	—	—	—
Capital redemption reserve	14	1,262	1,262	1,262	1,262	1,262
Special reserve	14	11,754	11,754	11,754	11,754	11,754
Profit and loss account (deficit)	14	<u>(12,390)</u>	<u>(12,683)</u>	<u>(12,781)</u>	<u>(12,868)</u>	<u>(12,777)</u>
Shareholders' funds – equity	14	<u>747</u>	<u>454</u>	<u>356</u>	<u>269</u>	<u>360</u>

Consolidated cash flow statement

	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£000</i>	<i>Audited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2005</i> <i>£000</i>	<i>Unaudited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2004</i> <i>£000</i>
Reconciliation of operating loss to net cash outflow from operating activities					
Operating loss	(638)	(387)	(188)	(91)	(144)
Depreciation	27	—	—	—	—
Decrease in debtors	85	3	10	3	4
(Decrease)/increase in creditors	(173)	135	(181)	(19)	(184)
Net cash outflow from operating activities	<u>(699)</u>	<u>(249)</u>	<u>(359)</u>	<u>(107)</u>	<u>(324)</u>
Returns on investments and servicing of finance					
Income from other investments	2	—	—	—	—
Interest received	151	19	14	4	13
Net cash inflow from returns on investments and servicing of finance	<u>153</u>	<u>19</u>	<u>14</u>	<u>4</u>	<u>13</u>
Capital expenditure and financial investment					
Disposal of other investments	8,828	—	—	—	—
Payments made for other investments	(520)	—	—	—	—
Net cash inflow from capital expenditure and financial investment	<u>8,308</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Dividends paid	(4,979)	—	—	—	—
Cash inflow/(outflow) before management of liquid resources and financing	2,783	(230)	(345)	(103)	(311)
Management of liquid resources					
Decrease in short term deposits	4,965	185	325	110	289
Financing					
Repurchase of ordinary share capital	(7,820)	—	—	—	—
(Decrease)/increase in cash in the period	15 <u>(72)</u>	<u>(45)</u>	<u>(20)</u>	<u>7</u>	<u>(22)</u>

Notes to the consolidated financial information

1. Accounting policies

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

The principal accounting policies are:

Basis of consolidation

The consolidated financial information incorporates the results of Illuminator PLC and all of its subsidiary undertakings, using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Merger accounting

In the Group financial information, merged subsidiary undertakings are treated as if they had always been a member of the Group. The results of such a subsidiary are included for the whole period in the year it joins the Group. The corresponding figures for the previous period include its results for that period, the assets and liabilities at the previous balance sheet date and the shares issued by the Company as consideration as if they had always been in issue. Any differences between the nominal value of the shares acquired by the Company and those issued by the Company to acquire them is taken to a merger reserve.

Turnover

Turnover represents royalty income received, sale proceeds of current asset investments, sales to external customers at invoiced amounts and non-refundable advances, excluding valued added tax.

Valuation and disposal of investments

Investments held as fixed assets are stated at cost less any provision for impairment in value. Investments held as current assets are stated at the lower of cost and market value. Profit or loss on disposal of fixed assets investments is calculated as the difference between the proceeds and the carrying value of the investment. Any profit or loss on redemption of investment fund units are recognised on the date of disposal.

All other differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Group anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Cost of share options schemes

A charge is made to the Group's profit and loss account and the profit and loss reserve is credited to record the fair value of the shares awarded under option schemes to employees in accordance with FRS20 'Share-based payments'.

Impairment of fixed assets and goodwill

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and value in use.

Liquid resources

For the purpose of the cash flow statement, liquid resources are defined as current asset investments and short-term deposits.

Investment income

Dividends are recognised when received.

Employee benefit trust

In December 2003, Urgent Issues Task Force Abstract 38 'Accounting for Employee Share Ownership Trusts' (UITF38) was issued. The main effect of UITF38 is that the Company must present the cost of acquiring the shares held in such trusts as a deduction in determining shareholders' funds. The Company has adopted the provisions of UITF38 in its 2002 results. Further details are provided in note 14.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

All other differences are taken to the profit and loss account.

Financial instruments

In relation to the disclosures made in note 12, short-term debtors and creditors are not treated as financial assets or financial liabilities, except in relation to currency disclosures.

Operating leases

The annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2. Segmental information

Analysis by class of business:

	<i>Turnover</i>				
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Royalties	28	—	—	—	—
Investments	—	—	—	—	—
	<u>28</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<i>Pre-tax loss</i>				
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Royalties	27	—	—	—	—
Investments	(4,033)	(293)	(98)	(87)	(94)
	<u>(4,006)</u>	<u>(293)</u>	<u>(98)</u>	<u>(87)</u>	<u>(94)</u>
	<i>Net assets</i>				
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Royalties	—	—	—	—	—
Investments	747	454	356	269	360
	<u>747</u>	<u>454</u>	<u>356</u>	<u>269</u>	<u>360</u>

Analysis by geographical market:

<i>Turnover by destination</i>					
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
United Kingdom	24	—	—	—	—
North America	4	—	—	—	—
	<u>28</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<i>Pre-tax loss</i>					
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
United Kingdom	(4,009)	(293)	(98)	(87)	(94)
North America	3	—	—	—	—
	<u>(4,006)</u>	<u>(293)</u>	<u>(98)</u>	<u>(87)</u>	<u>(94)</u>
<i>Net assets</i>					
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
United Kingdom	747	454	356	269	360
North America	—	—	—	—	—
	<u>747</u>	<u>454</u>	<u>356</u>	<u>269</u>	<u>360</u>

3. Loss on ordinary activities

	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
This is arrived at after charging:					
Provision for PAYE settlement	—	170	—	—	—
Auditors' remuneration					
– audit services (group and Company)	18	12	12	8	17
– non-audit services	22	24	24	3	18
Depreciation	27	—	—	—	—
	<u>27</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

During 2004, the Group paid £170,000 to the Inland Revenue in final settlement of a claim relating to PAYE in respect of the exercise of share options in prior years. The amount was fully provided for in the 2003 financial information.

4. Employees

The average number of employees of the Group during the period, including directors, was as follows:

	<i>Audited Year ended 31 December 2002 Number</i>	<i>Audited Year ended 31 December 2003 Number</i>	<i>Audited Year ended 31 December 2004 Number</i>	<i>Audited 9 months ended 30 September 2005 Number</i>	<i>Unaudited 9 months ended 30 September 2004 Number</i>
All staff	4	4	2	2	2

Staff costs for all employees, including directors, consist of:

	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Wages and salaries	190	37	47	38	31
Social security	14	—	3	3	2
	<u>204</u>	<u>37</u>	<u>50</u>	<u>41</u>	<u>33</u>

5. Directors' remuneration

The emoluments of the individual directors for service to the Group companies were as follows:

	<i>Total emoluments</i>				
	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Brian Myerson (resigned 21 July 2004)	18	—	—	—	—
Julian Treger	18	—	20	20	9
David Brock	25	25	27	18	24
Timothy Samples (resigned 9 September 2003)	20	12	—	—	—
Ben Freeman (resigned 31 March 2002)	109	—	—	—	—
	<u>190</u>	<u>37</u>	<u>47</u>	<u>38</u>	<u>33</u>

The Company does not operate any pension schemes for its directors.

In 2002, payments of £18,000 (2003 – £Nil, 2004 – £Nil, 2005 – £Nil) each were made to Brian Myerson and Julian Treger by the Trustees of the Group's Employee Benefit Trust.

At 31 December 2002, Ben Freeman had the following share options:

<i>1 January 2002 Number</i>	<i>Lapsed number</i>	<i>31 December 2002 number</i>	<i>Exercise price</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>
378,001	—	378,001	9p	13/03/01	31/12/05
378,001	—	378,001	9p	13/03/02	31/12/05
378,029	—	378,029	9p	13/03/02	31/12/05

No director held any shares options and no options were granted or exercised in the years ended 31 December 2003, 2004 and the periods ended 30 September 2005 and 2004.

6. Taxation on loss from ordinary activities

	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£000</i>	<i>Audited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2005</i> <i>£000</i>	<i>Unaudited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2004</i> <i>£000</i>
<i>Current tax</i>					
UK corporation tax on loss for the period	—	—	—	—	—

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£000</i>	<i>Audited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2005</i> <i>£000</i>	<i>Unaudited</i> <i>9 months</i> <i>ended</i> <i>30 September</i> <i>2004</i> <i>£000</i>
Loss on ordinary activities before tax	(4,006)	(293)	(98)	(87)	(94)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30 per cent	(1,202)	(88)	(29)	(26)	(28)
Effects of:					
Expenses not deductible for tax purposes	3	60	—	—	—
Amounts written off/(back) to investments	42	(23)	(23)	—	(11)
Tax losses unutilised	867	51	52	26	39
Loss on disposal	283	—	—	—	—
Capital allowances for periods in excess of depreciation	8	—	—	—	—
Income not charged to UK corporation tax	(1)	—	—	—	—
Current tax charge for period	—	—	—	—	—

A deferred tax asset has not been created given the inherent uncertainty of the timing of future profits. Subject to Inland Revenue approval, the unprovided asset is £2,974,000 at 30 September 2005 (30 September 2004 – £2,935,000, 31 December 2004 – £2,948,000, 2003 – £2,896,000, 2002 – £2,716,000).

7. Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial periods. At 30 September 2005, the weighted average number of equity shares in issue was 12,060,632 (30 September 2004 – 12,060,632, 31 December 2004 – 12,060,632, 2003 – 12,060,632, 2002 – 106,736,563) and the earnings, being loss after tax, for the period were £87,000 (period ended 30 September 2004 – £94,000, year ended 31 December 2004 – £98,000, 2003 – £293,000, 2002 – £4,006,000).

No potential ordinary shares have been treated as dilutive as their conversion to ordinary shares would decrease the net loss per share.

8. Tangible fixed assets

	<i>Computer equipment £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
<i>Cost</i>			
At 1 January 2002 to 30 September 2005	53	16	69
<i>Depreciation</i>			
At 1 January 2002	36	6	42
Charge for the year	17	10	27
At 31 December 2002	53	16	69
At 1 January 2003 to 30 September 2005	53	16	69
<i>Net book value</i>			
31 December 2002 to 30 September 2005	—	—	—

9. Fixed asset investments

	<i>Other investments £000</i>
<i>Cost</i>	
At 1 January 2002	12,709
Additions	520
Disposals	(13,028)
At 31 December 2002	201
At 1 January 2003 to 30 September 2005	201
<i>Provisions for impairment in value</i>	
At 1 January 2002	(1,911)
Provided for in the year	(151)
Written back	1,911
At 31 December 2002	(151)
At 1 January 2003	(151)
Written back	75
At 31 December 2003	(76)
At 1 January 2004	(76)
Written back	76
At 31 December 2004	—
At 1 January 2005 and 30 September 2005	—
<i>Net book value</i>	
At 31 December 2002	50
At 31 December 2003	125
At 31 December 2004 and 30 September 2005	201

Principal group investments

The following were investments of the Group from 31 December 2002 to 30 September 2005:

<i>Name</i>	<i>Country of incorporation</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings</i>			
Illuminator Holdings Limited*	England	100%	Holding company, Dormant
Illuminator Investments Limited	England	100%	Investment Company, Dormant
<i>Other investments</i>			
Shore Capital Group Plc	England	0.2%	Stock broking and Corporate finance
In October 2002, the Group disposed of the following investments:			
Multimedia Trustee Limited*	England	100%	Dormant, nominee company for EBT
Illuminator Fund Management Limited*	England	100%	Fund Management

Notes

* held directly by the Company

For all undertakings listed above, the country of operation is the same as its country of incorporation.

	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
<i>Listed investments include above</i>					
Cost	201	201	201	201	201
Market value	50	125	225	274	225

Own shares

The investments in the Company's own shares were in respect of shares held by the Employee Benefit Trust (EBT). All dividends in respect of these shareholdings have been waived.

The Employee Benefit Trust was established in 1990 in order to provide for the obligations of the Company in respect of shares awarded under the scheme. At 31 December 2002, there were no allocations to any employees under the scheme.

The EBT tendered all its shares in the tender offer in October 2002 (see note 13). The resulting proceeds were distributed by the Trustees firstly to repay a loan to the Company and then in equal shares to Brian Myerson and Julian Treger. The amounts received by Mr Myerson and Mr Treger are shown in note 5 (directors' remuneration).

The Trustees of the EBT have resolved to wind up the trust as there are no further beneficiaries.

On 4 November 2003, Illuminator Fund Management Limited and Multimedia Trustees Limited were dissolved. Both companies were dormant and therefore, no separate disclosures have been made in the financial information for discontinued operations.

10. Debtors

	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Prepayments and accrued income	25	22	12	9	18

All amounts are receivable within one year.

11. Creditors: amounts falling due within one year

	<i>Audited Year ended 31 December 2002 £000</i>	<i>Audited Year ended 31 December 2003 £000</i>	<i>Audited Year ended 31 December 2004 £000</i>	<i>Audited 9 months ended 30 September 2005 £000</i>	<i>Unaudited 9 months ended 30 September 2004 £000</i>
Trade creditors	23	13	6	2	8
Other creditors	1	—	—	—	—
Tax and social security	18	—	—	—	—
Accruals and deferred income	52	216	42	27	37
	<u>94</u>	<u>229</u>	<u>48</u>	<u>29</u>	<u>45</u>

12. Financial instruments

(a) Interest rate and currency of cash balances

Floating rate financial assets of £88,000 at 30 September 2005 (30 September 2004 – £225,000, 31 December 2004 – £191,000, 2003 – £536,000, 2002 – £766,000) comprise sterling cash deposits on money market deposit at call and monthly rates. There were no fixed rate financial assets.

(b) Fair values of financial instruments

Set out below is a year end comparison of current and book values of all the Group's financial instruments by category.

	<i>Audited Year ended 31 December Book value 2002 £000</i>		<i>Audited Year ended 31 December Book value 2003 £000</i>		<i>Audited Year ended 31 December Book value 2004 £000</i>		<i>Audited 9 months ended 30 September Book value 2005 £000</i>		<i>Unaudited 9 months ended 30 September Book value 2004 £000</i>	
	<i>Current value 2002 £000</i>	<i>Current value 2003 £000</i>	<i>Current value 2003 £000</i>	<i>Current value 2004 £000</i>	<i>Current value 2004 £000</i>	<i>Current value 2005 £000</i>	<i>Current value 2005 £000</i>	<i>Current value 2004 £000</i>	<i>Current value 2004 £000</i>	
Listed investments	50	50	125	125	201	225	210	274	210	225
Cash	96	96	51	51	31	31	38	38	29	29
Cash deposits	670	670	485	485	160	160	50	50	196	196

13. Share capital

	<i>Authorised Number</i>	<i>Allotted, called up and fully paid Number</i>
Ordinary shares of 1p each at 31 December 2002 to 30 September 2005	<u>200,000,000</u>	<u>12,060,632</u>
	<i>£000</i>	<i>£000</i>
Ordinary shares of 1p each at 31 December 2002 to 30 September 2005	<u>2,000</u>	<u>121</u>

On 18 June 2002, the Company effected a Court Approved share capital reduction. This had the effect of reducing the nominal value of each share from 1p each to 0.1p each. The amount of 0.9p per share released from share capital was transferred to the profit and loss account. At the same time, all amounts credited to the share premium account were cancelled and that amount was also credited to the profit and loss account.

On 24 June 2002, the Company carried out a share consolidation on the basis of ten 0.1p ordinary shares into one consolidated 1p ordinary share.

In October 2002, the Company repurchased and cancelled 126,234,574 ordinary 1p shares at 6.16p each by way of tender offer.

Potential issue of ordinary shares

At 31 December 2002, the following share options were outstanding in respect of the ordinary shares:

<i>Date of grant</i>	<i>Number of shares</i>	<i>Period of option</i>	<i>Price per share</i>
9 November 2001	23,623	1 December 2001 — 30 November 2003	9p
9 November 2001	378,001	13 March 2001 — 31 December 2005	9p
9 November 2001	378,001	13 March 2002 — 31 December 2005	9p
9 November 2001	378,029	31 March 2002 — 31 December 2005	9p
	<u>1,157,654</u>		

At 31 December 2003, the following share options were outstanding in respect of the ordinary shares:

<i>Date of grant</i>	<i>Number of shares</i>	<i>Period of option</i>	<i>Price per share</i>
9 November 2001	378,001	13 March 2001 — 31 December 2005	9p
9 November 2001	378,001	13 March 2002 — 31 December 2005	9p
9 November 2001	378,029	31 March 2002 — 31 December 2005	9p
	<u>1,134,031</u>		

At 30 September 2004, 31 December 2004 and 30 September 2005, the following share options were outstanding in respect of the ordinary shares:

<i>Date of grant</i>	<i>Number of shares</i>	<i>Period of option</i>	<i>Price per share</i>
9 November 2001	378,001	13 March 2001 — 31 December 2005	9p
9 November 2001	378,001	13 March 2002 — 31 December 2005	9p
9 November 2001	378,029	31 March 2002 — 31 December 2005	9p
	<u>1,134,031</u>		

14. Reconciliation of reserves and movements in shareholders' funds

	<i>Share capital</i> <i>£000</i>	<i>Share premium account</i> <i>£000</i>	<i>Capital redemption reserve</i> <i>£000</i>	<i>Own shares</i> <i>£000</i>	<i>Special reserves</i> <i>£000</i>	<i>Profit and loss account</i> <i>£000</i>	<i>Total</i> <i>£000</i>
At 1 January 2002	13,829	13,014	—	—	11,826	(21,117)	17,552
Prior year adjustment (see below)	—	—	—	(88)	—	—	(88)
January 2002 as adjusted	13,829	13,014	—	(88)	11,826	(21,117)	17,464
Share capital reduction	(12,446)	(13,014)	—	—	(72)	25,532	—
Share repurchase	(1,262)	—	1,262	—	—	(7,820)	(7,820)
Loss for the year	—	—	—	—	—	(4,006)	(4,006)
Dividend	—	—	—	—	—	(4,979)	(4,979)
Disposals	—	—	—	88	—	—	88
At 31 December 2002	121	—	1,262	—	11,754	(12,390)	747
Loss for the year	—	—	—	—	—	(293)	(293)
At 31 December 2003	121	—	1,262	—	11,754	(12,683)	454
Loss for the year	—	—	—	—	(98)	(98)	—
At 31 December 2004	121	—	1,262	—	11,754	(12,781)	356
Loss for the period	—	—	—	—	—	(87)	(87)
At 30 September 2005	121	—	1,262	—	11,754	(12,868)	269

The adoption of UITF38 'Accounting for Employee Share Ownership Trusts' resulted in a £88,000 reduction in the reserves and shareholders' funds as at 1 January 2002.

15. Analysis of net funds and reconciliation

	<i>At start of year</i> <i>£000</i>	<i>Cash flow</i> <i>£000</i>	<i>At end of year</i> <i>£000</i>
2002			
Cash at bank and in hand	168	(72)	96
Cash deposits	5,635	(4,965)	670
At 31 December 2002	5,803	(5,037)	766
2003			
Cash at bank and in hand	96	(45)	51
Cash deposits	670	(185)	485
At 31 December 2003	766	(230)	536
2004			
Cash at bank and in hand	51	(20)	31
Cash deposits	485	(325)	160
At 31 December 2004	536	(345)	191
2005			
Cash at bank and in hand	31	7	38
Cash deposits	160	(110)	50
At 30 September 2005	191	(103)	88

16. Related party transactions

As the Group publishes consolidated financial information, it has taken advantage of the exemption under Financial Reporting Standard No. 8 from disclosing transactions with other Group companies that have been eliminated on consolidation. Other transactions with related parties were:

The Group and Company rented premises until 30 June 2003 on a commercial, arm's length basis from Active Value Advisors Limited ("AVA"), a company controlled by Julian Treger and Brian Myerson, at a cost in the year ended 31 December 2003 of £20,000 (2002 – £68,000). No amounts were payable in the year ended 31 December 2004 and the period ended 30 September 2005. At the balance sheet dates there were no amounts outstanding.

Subsidiaries of Shore Capital Group Plc ("Shore Capital"), a major shareholder in the Company provided a variety of services on a commercial, arm's length basis to the Group and Company. In the period ended 30 September 2005, fees for these services included an annual broker's advisory fee of £23,500 (31 December 2004 – £23,500, 2003 – £25,000, 2002 – £20,000). At the balance sheet dates there were no balances owing to Shore Capital.

At 31 December 2004, 2003 and 2002 and 30 September 2005, the Group held an investment of 570,000 ordinary shares in Shore Capital. These are shown within fixed assets investments (see note 9).

In 2002, a nominal fee of £37,000 was paid to Shore Capital for advising on the share capital reduction and £57,000 for corporate finance advice in relation to the tender offer. In addition, in 2002, Shore Capital received a commission of £445,000 for selling the Company's investment in the Puma II Fund.

In October 2002, the Group sold a number of its investments to e.investors Limited, a company that is ultimately owned by discretionary trusts of which Brian Myerson and Julian Treger are possible beneficiaries. The Group received total proceeds of £1,400,000 and sold investments that had an original cost of £3,363,000 and a net book value at the time of disposal of £2,238,000. The directors consider this sale to have taken place at market value based on an independent valuation carried out on behalf of the Group. On 21 July 2004, the holding of e.investors Limited was transferred to E2Investors Limited. Julian Treger retains a possible beneficial interest in E2Investors Limited via a discretionary trust.

In 2002, Silex Management Limited ("Silex") provided administration, dealing and settlement services to the Group to the value of £8,000 (2005 – £Nil, 2004 – £Nil, 2003 – £Nil, 2002 – £Nil). The full amount was outstanding at the year ended 31 December 2002, and was repaid during 2003. Silex is a company that is ultimately owned by discretionary trusts of which Brian Myerson and Julian Treger are possible beneficiaries.

17. Post balance sheet event

In November 2005, the Company disposed of its entire fixed asset investment in Shore Capital, realising approximately £250,000.

PART 4

ADDITIONAL INFORMATION

1. Incorporation and registered office

- 1.1 The Company was incorporated and registered in England and Wales on 20 June 1989 under the Act as a private company limited by shares (with registered number 2396996) with the name Trendvale Limited. On 1 November 1989, the Company's name was changed to The Multimedia Corporation Limited, and it was re-registered as a public company on 14 June 1995 with the name The Multimedia Corporation PLC. On 23 October 2000, the Company's name was changed to Illuminator PLC. At the EGM, a special resolution will be proposed to change the Company's name to Blackstar Investors PLC. The liability of its members is limited.
- 1.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.3 The Company's registered office is at 22 Arlington Street, London SW1A 1RD.

2. Share capital

- 2.1 The Company's present authorised share capital is £2,000,000 divided into 200,000,000 ordinary shares of 1 pence each, of which 12,060,632 ordinary shares have been issued and are fully paid up. Save as set out in paragraph 2.2 below there have been no changes to the Company's share capital since 31 December 2001.
- 2.2 On 20 May 2002, the Company passed a resolution whereby (i) the existing share capital of the Company was reduced by the extent of 0.9 pence on each issued and unissued ordinary share in the capital of the Company, (ii) the amount standing to the Company's share premium account was cancelled, and (iii) each of the issued and unissued ordinary shares in the capital of the Company were consolidated on the basis of ten ordinary shares of 0.1 pence each into 1 consolidated share of 1 pence each.
- 2.3 At the EGM it is proposed to resolve conditionally, *inter alia*, on Admission becoming effective not later than 7 February 2006 or such later date as may be agreed between the Company and Shore Capital (but in any event, not later than 20 February 2006):
 - 2.3.1 to increase the authorised share capital of the Company from £2,000,000 to £75,000,000 by the creation of 7,300,000 Ordinary Shares;
 - 2.3.2 to authorise the Directors generally and unconditionally pursuant to section 80 of the Act to allot relevant securities (as defined in that section) up to a maximum nominal amount of £74,879,393.68, for a period expiring (unless previously revoked, varied or renewed by the Company in general meeting) 15 months after the date on which the resolution was passed or, if sooner, the next annual general meeting of the Company ("the period of authority") (save that during the period of authority the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of such period and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred had not expired), such authority to be in substitution for any and all authorities previously conferred upon the Directors for the purposes of section 80 of the Act, without prejudice to any allotments made pursuant to the terms of such authorities;
 - 2.3.3 to empower the Directors pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the authority conferred on them referred to in paragraph 2.2.2 above as if section 89(1) of the Act did not apply to such allotment, such power to expire at the expiry of the period of authority (save that during the period of authority the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred had not expired) provided that such power is limited to:
 - (a) an issue in favour of certain holders of ordinary shares of the capital of the Company in connection with the bonus issue up to an aggregate nominal of £10,000;
 - (b) the placing of ordinary shares in the capital of the Company by the Company up to an aggregate nominal amount of £50,000,000;

- (c) the allotment of equity securities for cash in connection with or pursuant to an offer by way of rights to the holders of equity securities in proportion (as nearly as may be) to their then holdings of equity shares subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any territory or requirements of any recognised regulatory body or any stock or investment exchange in any territory; and
 - (d) the allotment (otherwise than pursuant to the powers referred to in sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal amount of £600,000;
- 2.3.4 to capitalise a sum not exceeding £10,000, being part of the amount standing to the credit of the Company's capital redemption reserve, and to appropriate up to £10,000 to and amongst any shareholders of the Company who at close of business on 25 January 2006 hold a number of shares which would result in a fractional share arising upon the consolidation envisaged below, and to apply such sum on behalf of any such shareholders in paying up in fully such number of ordinary shares of one pence each in the capital of the Company as will avoid a fractional entitlement arising upon such consolidation;
- 2.3.5 to consolidate every 100 of the existing issued and unissued Ordinary Shares into one ordinary share of £1 in the capital of the Company, with any fractional shares arising upon such consolidation automatically converting into deferred shares of 1pence in the capital of the Company; and
- 2.3.6 to capitalise the sum of £525,000, being part of the amount standing to the credit of the Company's capital redemption reserve and appropriate such sum to the holders of the issued Ordinary Shares of £1.00 each in the capital of the Company ("the Existing Shares") and to apply such sum on their behalf in paying up in full new Ordinary Shares of £1.00 each in the capital of the Company ("the New Shares"), such shares to be allotted and distributed, credited as fully paid, to and amongst such holders in the proportion of 4 New Shares for each Existing Share then held by them respectively, so that the New Shares shall rank *pari passu* with the Existing Shares and provided that no holder of Existing Shares.
- 2.4 Immediately following Admission, the authorised share capital of the Company will be £75,000,000 divided into 75,000,000 Consolidated Shares of which approximately 607,865 Consolidated Shares will be issued fully paid or credited as fully paid.
- 2.5 The provisions of section 89 of the Act (which, to the extent not disapplied pursuant to section 95 of the Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 94(2) of the Act) which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme (as defined in section 743 of the Act)) apply to the authorised but unissued Consolidated Shares which are not the subject of the disapplication referred to in paragraph 2.3.3 above. The statutory rights of pre-emption have been disapplied:
- 2.5.1 to permit the Directors to allot the Consolidated Shares being subscribed in the Placing at the Placing Price; and
 - 2.5.2 to give the Directors flexibility in relation to rights issues and issues of Consolidated Shares by the issue of up to 600,000 Consolidated Shares following the EGM.
- 2.6 Since 23 December 2003:
- 2.6.1 no share or loan capital of any member of the Company has been issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and
 - 2.6.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any part of the share or loan capital of the Company.
- 2.7 No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 2.8 Other than pursuant to the Placing, none of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for Admission.
- 2.9 No temporary documents of title will be issued pursuant to the Placing.

3. Non-trading subsidiary

The Company is the holding company of a wholly owned non-trading subsidiary company, Illuminator Holdings Limited, a company incorporated in England and Wales (with registered number: 03922326). Illuminator Holdings Limited has one wholly-owned subsidiary company, Illuminator Investments Limited (with registered number: 03774415). The Company has no other subsidiary companies.

4. Memorandum and Articles of Association

- 4.1 The principal objects of the Company are set out in clause 4 of its Memorandum of Association (as proposed to be amended by special resolution at the EGM) and are, *inter alia*, to carry on business as an investment company and to hold proprietary interests in any form whatsoever in Luxembourg or elsewhere in the world.
- 4.2 A summary of certain provisions of the Articles (as proposed to be adopted by special resolution at the EGM) is set out below:

Rights attaching to Ordinary Shares

As to voting: Subject to disenfranchisement in the event of (a) non-payment of calls or other monies due and payable in respect of Ordinary Shares and (b) non-compliance with a statutory notice requiring disclosure as to beneficial ownership, and subject to any special terms as to voting upon which any shares may for the time being be held (as to which there are none at present), upon a show of hands every member present in person or by representative (in the case of a corporate member) shall have one vote and upon a poll every member present in person, by representative (in the case of a corporate member) or by proxy shall have one vote for every share held by him;

As to dividends: Subject to the Statutes (as defined in the Articles) and to any special rights attached to any shares issued by the Company in the future, the holders of Ordinary Shares are entitled *pari passu* amongst themselves, but in proportion to the amounts paid up on the shares held by them, to share in the whole of the profits of the Company paid out as dividends;

As to return of capital: On a winding-up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation, shall, subject to any special rights attaching to any other class of shares, be applied in repaying to the holders of Ordinary Shares the amounts paid up on such shares and any surplus shall be distributed amongst such holders in proportion to the numbers of shares held by them respectively.

Variation of share rights

Subject to the provisions of the Act, the rights attached to any class of shares may be varied or abrogated in such manner (if any) as may be provided by those rights, or with the consent in writing of the holders of three quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a general meeting of the holders of the shares of that class meeting the conditions for amending the articles of association of the Company, but not otherwise.

Changes in share capital

The Shareholders of the Company may increase its share capital, alter the nominal amount of each share (subject to a minimum nominal/par value equal to 1.24 Euros) and cancel any unissued shares and reduce its share capital in any manner authorised by law provided that the conditions required for amending the Company's articles of association are met.

Transfer of shares

All transfers of shares in certificated form must be in writing in the usual form or any other form permitted by the Stock Transfer Act 1963 or approved by the directors. The instrument of transfer must be signed by or on behalf of the transferor and, if the shares being transferred are not fully paid, by or on behalf of the transferee. The directors may in their absolute discretion and without giving any reason refuse to register any transfer of certificated shares which are not fully paid, provided that such discretion may not be exercised in such a way as to prevent dealings from taking place on an open and proper basis. The directors may also refuse to register any transfer of a certificated share if the duly stamped transfer instrument is not accompanied by the relevant share certificate and such other evidence reasonably required by the directors to show the right of the transferor to make the transfer.

Subject to the Regulations and the Articles, the Company may issue Ordinary Shares in uncertificated form and permit such Ordinary Shares to be transferred by means of the relevant system (as defined in the Articles) or in any manner which is permitted by the Statutes and is from time to time approved by the directors. The directors may in their absolute discretion and, without giving any reason, refuse to register any transfer of uncertificated shares where permitted by the Regulations.

The directors may refuse to register any transfer of shares unless it is in respect of only one class of shares. No more than four persons may be registered as joint holders of any share.

Unclaimed dividends

Any dividend unclaimed after a period of twelve years from the date of its declaration or from the date when it becomes due for payment shall be forfeited and shall revert to the Company.

Untraced Shareholders

The Company may, after advertising its intention and fulfilling various other requirements, sell any shares of a member or person entitled to those shares by transmission who is untraceable for a period of twelve years during which period the Company has paid at least three dividends none of which has been claimed and the cheques or warrants or order or other instrument for all amounts payable to such member have remained uncashed, no dividend sent by means of a funds transfer has been paid and the Company has not received any communication from the member in question or the person so entitled. Upon such sale, the Company shall be regarded as indebted to the former member or to any other person so entitled to an amount equal to the net proceeds of sale.

Non-UK Shareholders

There are no limitations in the Memorandum or Articles of Association on the rights of non-UK shareholders to hold or exercise voting rights attaching to Ordinary Shares and all notices will be sent to the address listed on the Company's share register for each Shareholder.

Restrictions on Shareholders

Subject to the Statutes, the Company may disenfranchise any holder of shares of the Company if he or any other person appearing to be interested in those shares fails to comply with a notice issued by the Company requiring the disclosure of interests in the shares specified in the notice within fourteen days after service. If shareholders holding 0.25 per cent or more in nominal value of such shares have not complied with the notice within fourteen days after service, the Company may impose restrictions on them which include not only disenfranchisement but also the withholding of the right to receive dividends or other monies payable and, subject to the Statutes, restrictions on the transfer of the shares in question. For shareholders holding less than 0.25 per cent in nominal value of such shares, disenfranchisement is the only restriction with the Company may impose.

Directors

Number: Unless and until the Company in general meeting shall otherwise determine, the number of directors shall not be less than three or more than 10.

Restrictions on voting: No director may vote or be counted in the quorum in respect of any contract, arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. The prohibition does not apply in any event to resolutions regarding:

the giving of any security or indemnity to a director in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries or any of its subsidiaries or to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

any proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiaries in which offer the director is or is to be interested as a participant as a holder of securities or in the underwriting or sub-underwriting;

any proposal concerning any other company in which the director is interested, directly or indirectly, unless he is the holder of or beneficially interested in one per cent or more of the issued shares of any

class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;

an arrangement for the benefit of employees of the Company or any of its subsidiaries which does not confer on any director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; and

any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

Proposals concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employment with the Company may be divided and considered in relation to each director separately and in such cases each director (if not debarred from voting as discussed above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.

Remuneration: The aggregate fees of the directors for their services in the office of director shall not exceed £250,000 but the directors may be paid such further sums by way of additional remuneration as may from time to time be determined by the Company in general meeting. The directors are entitled to be paid all expenses reasonably incurred by them in attending meetings of the directors or committees of the directors or general meetings or otherwise in or about the business of the Company.

Any director who is appointed to any executive office or who serves on any committee or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director may be paid, in addition to any remuneration to which he may be entitled (as referred to above) such remuneration (whether by way of salary, percentage of profits or otherwise) as the directors may determine.

The directors may grant pensions or other benefits to any directors or ex-directors and to persons connected with them.

Borrowing powers: subject as provided below, the directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.

The aggregate amount owing by the Company and all its subsidiary undertakings in respect of money borrowed by them (exclusive of intra-group borrowings) shall not without the previous sanction of the Company in general meeting exceed an amount equal to four times the aggregate of:

the amount paid up on the issued share capital of the Company; and

the amount standing to the credit of the reserves of the Company and its subsidiary undertakings, after adjustment as more particularly set out in Article 128.

Retirement under an age limit: Directors shall be capable of being appointed or re-elected and are not required to retire on attaining the age of 70 or any other age and section 293 of the Act does not apply to the Company.

Rotation and appointment of directors: At each annual general meeting of the Company all directors shall retire from office and then shall be eligible any may offer themselves for immediate re-election by shareholders.

The Company may from time to time by ordinary resolution appoint any person to be a director of the Company, provided the maximum number of 10 is not exceeded. The directors may also from time to time appoint any person to be a director of the Company, provided the maximum number of 10 is not exceeded, but any director so appointed by the directors shall hold office only until the next annual general meeting when he shall retire, but shall be eligible for election, and any director who retires under this provision shall not be taken into account in determining the number of directors who are to retire by rotation at that meeting.

The Articles reflect the fact that electronic communications can be used. This allows the Company (where a shareholder so elects) to send the shareholder by electronic communications certain information relating to the Company (including notices, proxy forms and annual reports) or to place such information on a website having notified the shareholder of its availability on that website by

e-mail. Shareholders who do not make such election will continue to receive communications by traditional means.

Appropriation of profits: the Directors shall be required to set aside five per cent from the net profits of the Company to a reserve fund. This deduction shall cease to be mandatory when the amount of the reserve fund shall have reached one tenth of the subscribed share capital. The appropriation of the balance of the profit, after provision for taxation (if applicable), has been made, shall be determined by the annual general meeting upon proposal by the Board. This appropriation may include the distribution of dividends, creation or maintenance of reserve funds and provisions, and determination of the balance to be carried forward.

Amendments: the articles of association may be amended by a majority of 75 per cent of the shareholdings represented at the EGM, provided that a quorum of more than half of the issued share capital of the Company is represented at the meeting.

Takeover offers: if (i) any person acquires, whether by a series of transaction over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with such person) represent 30 per cent or more of the voting rights represented by the issued shares of the Company; or (ii) any such person together with others acting in concert with such person, holds not less than 30 per cent but not more than 50 per cent of such voting rights, and together with persons acting in concert with such persons or otherwise, in any period of 12 months, acquires additional shares representing more than one per cent of such voting rights, then such persons and, if applicable, each person acting in concert with such persons shall extend an offer, on the basis set out in the Articles, to the holders of all of the issued shares of the Company.

5. Directors' and other interests

- 5.1 The interests of the Directors and their immediate families in the share capital of the Company which are required to be entered into the register maintained under the provisions of section 325 of the Act, together with the interests of persons connected with a Director within the meaning of Section 346 of the Act which, if the connected person were a Director would otherwise be disclosed pursuant to this paragraph and the existence of which is known or, following reasonable due diligence, has been ascertained by such a Director, are as at 17 January 2006, being the most recent practicable date prior to the production of this Document and before any Placing be as follows:

<i>Director</i>	<i>Current</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares[#]</i>	<i>% of issued share capital</i>	<i>Number of Consolidated Shares</i>	<i>% of issued share capital</i>
David Brock	181,944	1.51	9,097	1.51
Julian Treger*	1,888,402	15.66	94,420	15.66
Andrew Bonamour	—	—	—	—
Dr Denis Worrall	—	—	—	—
Wolfgang Baertz	—	—	—	—

[#]Prior to the Consolidation

*These shares are held by E2Investors Limited which is a company that is ultimately owned by discretionary trusts of which Julian Treger is a possible beneficiary.

- 5.2 The Company is aware of the following interests (within the meaning of Part VI of the Act) which represent, or will represent, three per cent or more of the Company's issued share capital as at 17 January 2006, being the most recent practicable date prior to the production of this Document or immediately following Admission and before any Placing, including the interests of those who, directly or indirectly, jointly or severally, control or could exercise control of the Company:

	<i>Current</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares#</i>	<i>% of issued share capital</i>	<i>Number of Consolidated Shares</i>	<i>% of issued share capital</i>
<i>Shareholders</i>				
Shore Capital Stockbrokers Limited and Shore Capital Trading Limited	2,455,537	20.36	122,776	20.36
E2Investors Limited	1,888,402	15.66	94,420	15.66
Ian Kergel	505,000	4.19	25,250	4.19
Marylebone Warwick Balfour Group PLC and subsidiaries	413,450	3.43	20,672	3.43
#Prior to the Consolidation				

- 5.3 Save as disclosed in paragraphs 5.1 and 5.2 above, the Company is not aware of any person who, as at 17 January 2006, being the most recent practicable date prior to the production of this Document or immediately following Admission, is or will be directly or indirectly interested in three per cent or more of the issued share capital of the Company or, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

- 5.4 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions, or significant to the business of the Company, and which:

5.4.1 were effected by the Company during the current or immediately preceding financial year; or

5.4.2 were effected by the Company during an earlier financial year and remain in any respect outstanding or unperformed.

- 5.5 The Directors are or have been directors or partners at any time in the five years immediately preceding 17 January 2006, being the most recent practicable date prior to the production of this Document of the following companies:

<i>Name</i>	<i>Current</i>	<i>Past</i>
Julian Treger	Active Value Advisors Limited Illuminator Investments Limited BNB Recruitment Solutions PLC Audley Capital Advisors LLP JAB Holdings Limited Purple Capital Limited (South Africa) RM Auctions (Canada)	Clear Technology Inc. (US) Guideforlife.com Limited Illuminator Trade Finance Limited Illuminator Fund Management Limited Illuminator Founder Partner 1 Limited Content Management Corporation Limited Illuminator general Partner 1 Limited Millionairemadness.com Limited Illuminator-MWB Europe Limited Multimedia Trustees Limited The Multimedia Corporation Limited PCL 121 Limited Primecom (UK) Limited The Corporate Services Group plc Primedia Limited (South Africa) Sage Group Limited (South Africa)

<i>Name</i>	<i>Current</i>	<i>Past</i>
David Brock	Conveco Limited Episys Group Limited JN (Holdings) Limited Americana International Limited Puma VCT PLC Puma II VCT PLC Elderstreet VCT PLC Actif Group plc Puma III VCT PLC Puma IV VCT PLC Inhoco 4071 Limited	Maxirace Furniture Industries Limited Content Management Corporation Limited Webb Global Limited Card Warehouse Limited Card Warehouse EBT Limited Chasseral Limited BB's Coffee & Muffins Holdings Limited Plymouth & Cornwall Convenience Stores Limited Devon & Cornwall Convenience Stores Limited Somerset & Bristol Convenience Stores Limited PEL plc Homestyle Group plc
Andrew Bonamour	Blackstar Managers SA (Pty) Ltd	Smartphone Group (Pty) Limited (South Africa) Cointel VAS (Pty) Limited (South Africa) Purple Capital Limited (South Africa)
Dr Denis Worrall	Omega Investment Research (Pty) Ltd EmpowerLink (Pty) Ltd EmpowerLink Equity Ventures (Pty) Ltd EmpowerLink Business Solutions (Pty) Ltd Asian Southern African Business Consultants DOC Finance (SA) (Pty) Ltd South African Grand Prix Bid Co. (Pty) Ltd Omega Investment Research Limited (UK) Omega Partners (Pty) Ltd (Australia)	Majestic Resources NL (Australia) Intuthuko Mining (Pty) Ltd International Bank of Southern Africa Crown Diamonds NL (Australia)
Wolfgang Baertz	Yeoman International Holdings S.A., Luxembourg Daimler Chrysler Services Re Insurance S.A., Luxembourg Ardagh Glass Limited, Guernsey Indurisk S.A. Luxembourg Sireo Immobilienfond N° 4 Sicav Ardagh Glass Group plc Banque pour l'Europe S.A. Europa Bank AG (Groupe Dresdner Bank) Dresdner Forfaiterungs Aktiengesellschaft Dresdner Bank (Ireland) plc Europe Reinsurance S.A. SES Global S.A. Centhold International Ltd Veer Palthe Voute NV Deutsch-Belgisch-Luxemburgische Handelskammer	Dresdner Bank Luxembourg SA

5.6 None of the Directors have any current partnerships or have had partnerships during the five years preceding 17 January 2006, being the most recent practicable date prior to the publication of this Document.

5.7 None of the Directors has:

5.7.1 any unspent convictions in relation to indictable offences;

5.7.2 at any time been adjudged bankrupt or been the subject of any individual voluntary arrangement in the United Kingdom or elsewhere;

5.7.3 been subject to any public criticism by any statutory or regulatory authority or professional body;

5.7.4 been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

5.7.5 has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into any company voluntary

arrangement or any composition or arrangement with its creditors generally or any class of creditors either whilst he was the director of that company or within twelve months of him ceasing to be a director of that company;

5.7.6 been a partner in a partnership which has been placed in compulsory liquidation or administration or entered into any partnership voluntary arrangement, either whilst he was a partner of such partnership or within twelve months of him ceasing to be a partner in such partnership; or

5.7.7 any asset which has been placed in receivership or been a partner of any partnership whose assets have been placed in receivership, either whilst he was a partner of such partnership or within twelve months of him ceasing to be a partner in such partnership.

5.8 In terms of Section 198 of the Act any person who acquires an interest in the shares of the Company where the aggregate nominal value of the shares in which he is interested is equal to or more than three per cent of the nominal value of the Company's issued share capital is required to notify the company of his interest in the Company's shares.

5.9 Save for complying with the requirements for registration of a transfer of shares as described in paragraph 4.2 of this Part 4, there are no restrictions in the Articles or in the Act which would have the effect of delaying, deferring or preventing a change in control of the Company.

6. Directors' service agreement and letters of appointment

6.1 6.1.1 Conditional upon Admission, Andrew Bonamour will enter into a service agreement with the Company, which provides for him to act as a Director. His annual salary will be set at £15,000. The contract has no fixed term and can be terminated on 12 months' notice given by either the Company or Andrew Bonamour.

6.1.2 Conditional upon Admission, Dr Denis Worrall and Wolfgang Baertz, will be appointed Non-executive Directors for an initial period of 12 months which can be extended by mutual agreement between the Company and each of Dr Denis Worrall and Wolfgang Baertz under the terms of which they will each receive annual fees of £15,000 and 25,000 Euros respectively.

6.2 The following Directors have entered into new letters of appointment dated 8 December 2005 with the Company:

6.2.1 Julian Treger was re-appointed as a Non-executive Director and Chairman on 8 December 2005 for an initial period of three years, which can be extended by agreement between the Company and Julian Treger. Julian Treger will receive an annual fee of £25,000.

6.2.2 David Brock was re-appointed as a Non-executive Director on 8 December 2005 for an initial period of three years, which can be extended by agreement between the Company and David Brock. David Brock will receive an annual fee of £25,000.

6.3 The aggregate remuneration and benefits in kind of the Directors received from the Company during the last financial year ended on 31 December 2004, was £47,000. It is estimated that the aggregate remuneration and benefits in kind payable to the Directors by the Company in the financial year ended 31 December 2005 and in the current financial year ending 31 December 2006, under the arrangements in force at the date of this Document, will be £50,000 and £93,000 respectively.

6.4 Save as disclosed in paragraphs 6.1 and 6.2 above, there are no existing or proposed service agreements between any of the Directors and any member of the Group.

7. Pension arrangements

The Company does not operate a pension scheme.

8. Intellectual property

The Company is not dependent on any patents or other intellectual property rights and, save as disclosed in this document, is not reliant on any particular contracts.

9. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years immediately preceding 17 January 2006, being the most

recent practicable date prior to the publication of this Document or are expected to be entered into prior to Admission and/or are, or may be, material or contain any provision under the Company has any obligation or entitlement which is material to the Company as at the date of this Document:

9.1 A nominated adviser and broker agreement dated 30 December 2005 between the Company (1) the Directors (2) Shore Capital (3) and Shore Capital Stockbrokers Ltd (4) pursuant to which the Company has appointed Shore Capital and Corporate Limited to act as nominated adviser and Shore Capital Stockbrokers Limited to act as broker to the Company in accordance with the AIM Rules. The Company has agreed to pay Shore Capital and Shore Capital Stockbrokers Limited a combined fee of £25,000 per annum for its services as nominated adviser and broker under this agreement. This agreement contains, *inter alia*, compliance with all applicable laws and regulations. This agreement is for a fixed period of one year and will continue thereafter subject to an agreed termination period of three months' notice from either party.

9.2 The Investment Advisory Agreement dated 30 December 2005, between Blackstar Managers Limited (1) and the Company (2). Pursuant to the terms of this agreement, the Company has, subject to Shareholders' approval, and conditional upon the Placing appointed Blackstar Managers to provide various investment advisory services to the Company including, but not limited to (i) sourcing various funding opportunities to BEE consortia (which have completed investments in private and publicly quoted companies and where BEE investors have yet to realise any value) and (ii) sourcing various other BEE investment opportunities in South Africa (together the "Advisory Services").

The Investment Advisory Agreement contains a number of restrictions on Blackstar Managers' role, and in particular:

- the role between the parties is strictly one of independent contractor and client;
- Blackstar Managers has no power to make investments on behalf of the Company; and
- the provision of the Advisory Services shall be made strictly in accordance with 'investment guidelines' to be approved by the Directors.

The provision of Advisory Services by Blackstar Managers may be terminated mutually, or by (i) either party giving 12 months' notice in writing which, in the case of notice served by the Company, may not be given prior to the second anniversary of Admission and, in the case of notice served by Blackstar Managers may not be given prior to the fifth anniversary of Admission, or Blackstar Managers giving five years' written notice of termination to the other party or (ii) at least 80 per cent of the Shareholders vote in general meeting of the Company to terminate the agreement. In addition, either party may terminate the agreement (i) if a party is in material breach of the provisions of the agreement (and does not remedy such breach within 30 days of service of notice requiring such breach to be remedied), (ii) a party enters into liquidation or (iii) Blackstar Managers ceases to render Advisory Services to the Company. The Company may also terminate the Agreement if there is a material change in the resources available to Blackstar Managers (such that it is no longer able to render the level of Advisory Services contemplated when the agreement was entered into).

In return for the provision of the Advisory Services, Blackstar Managers shall be paid an annual fee of 2 per cent of the net funds raised by the Company (subject to a minimum fee of £100,000 and maximum annual fee of £400,000 provided that if the total funds raised under the Placing exceeds £20 million, the Directors will consider increasing such fee to reflect the additional workload likely to be incurred by Blackstar Managers in connection with such increase in funds, provided that in no circumstances will the increased fee exceed 2 per cent of the total funds raised under the Placing) and an annual performance equal to 20 per cent of the gain on investments realised by the Company, subject to a 10 per cent hurdle and making good any investment write-downs and management-related expenses.

Distribution of net proceeds in respect of each portfolio company investment ("Investment Proceeds") will be made to the Company with respect to such investments, except that the Company's share of Investments Proceeds in respect of each portfolio company investment will be distributed between it and Blackstar Managers in the following amounts and order of priority:

- (a) Return of capital: First, 100 per cent to the Company until it has received cumulative distribution of Investments Proceeds equal to its capital contribution applied to all portfolio company investments that have been disposed of ("Capital");
- (b) Return of losses from write-downs: Second, 100 per cent to the Company until it has received cumulative distributions of Investment Proceeds in excess of its Capital equal to its losses from

write-downs, if any, of unrealised portfolio company investments as of the date of distribution (“write-downs”);

- (c) Return of fees and expenses: Third, 100 per cent to the Company until it has received cumulative Investment Proceeds in excess of Capital and write-downs equal to its capital contributions applied to all organisational expenses, net management fees, working capital, and partnership expenses allocated to all portfolio company investments that have been disposed of and write-downs (collectively, “Costs”);
- (d) Preferred return: Fourth, 100 per cent to the Company until it has received cumulative Investment Proceeds in excess of its Capital, write-downs and Costs compounded annually from the date of funding of the applicable portfolio company investment in the case of Capital and write-downs and the date of drawdown or payment in the case of Costs (the “Preferred Return”);
- (e) Carried interest catch-up: Fifth, 20 per cent to the Company and 80 per cent to Blackstar Managers until it has received cumulative Investment Proceeds pursuant to this clause (e) with respect to the Company equal to 20 per cent of the sum of (i) Preferred Return and (ii) distributions made pursuant to this clause (e) with respect to the Company; and
- (f) 80/20 split: Thereafter, 80 per cent to the Company and 20 per cent to Blackstar Managers (together with amounts distributed to Blackstar Managers pursuant to clause (e) (“Carried Interest”))

The Investment Advisory Agreement contains a provision whereby Blackstar Managers shall indemnify the Company for all losses, damages, costs and liabilities incurred by it in connection with the provision of the Advisory Services (save where there has been fraud, negligence or wilful default on the part of the Company).

The Investment Advisory Agreement is governed and construed in accordance with the laws of England and Wales.

- 9.3 A financial advisory agreement with Audley Capital dated 30 December 2005, appointing Audley Capital to act as the Company’s financial adviser in connection with (i) the Placing, (ii) the Company’s relationship with Blackstar Managers, and (iii) any subsequent fundraising activities the Company may participate in (each a “Transaction”). In connection with these arrangements, the Company has agreed to pay Audley Capital a success fee of £75,000 on completion of the Proposals. This agreement, is conditional upon Completion and Shareholders’ approval.

10. Taxation

- 10.1 **The following summary is only intended as a brief and general guide at the date of this Document to certain aspects of current UK tax law and HM Revenue & Customs practice applicable to the holding and disposal by UK resident individuals and companies of Consolidated Shares in the Company (which may change in the future). It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is addressed to ordinary investors who are the absolute beneficial owners of Consolidated Shares held as investments and not, therefore, to special classes of Shareholder such as financial institutions. Accordingly, its applicability will depend upon the particular circumstances of individual Shareholders. Any prospective UK resident Shareholder who is in any doubt as to his UK tax position in relation to the Company should consult his UK professional adviser.**

The Company

- 10.1.1 On the basis that the Company is not resident in the UK for tax purposes and that its activities do not amount to trading in the UK, it should not be subject to UK income tax or corporation tax on any income or other profits or gains of an income nature which it derives from sources outside the UK and it will not be within the scope of UK capital gains tax or corporation tax in respect of capital gains wherever arising. It may, however, incur charges to corporation tax under the UK’s controlled foreign companies legislation.
- 10.1.2 It is the intention of the Directors, so far as they are able, to conduct the affairs of the Company in such a way that it does not become resident in the UK for UK tax purposes and that its activities do not amount to trading in the UK. However, no assurance can be given that this intention will be achieved.

Shareholders

10.1.3 Taxes on income

Dividends paid on Consolidated Shares held by UK resident Shareholders may, whether or not reinvested, be subject to UK income tax or corporation tax.

UK resident individuals are subject to income tax on foreign dividends at the dividend ordinary rate (currently 10 per cent) if they are not higher rate taxpayers and at the dividend upper rate (currently 32.5 per cent) if they are higher rate taxpayers, subject in either case to any available double tax relief.

UK resident companies are subject to corporation tax on foreign dividends generally at the rate of 30 per cent.

10.1.4 Taxes on capital gains

Shareholders who are resident or ordinarily resident in the UK (including, in some cases, those temporarily non-resident) will generally be liable to UK capital gains tax or corporation tax on chargeable gains in respect of gains arising on the disposal of their Consolidated Shares.

UK resident or ordinarily resident individuals are subject to capital gains tax at rates which depend on the extent to which they have income falling within certain income tax bands. It is charged, broadly, at 10 per cent on gains falling within the unused part of their starting rate band, at 20 per cent on gains falling within the unused part of their basic rate band and at 40 per cent on gains falling above that band. They may be entitled to “taper” relief against their liability to capital gains tax on gains arising on the disposal of their Consolidated Shares, the availability and extent of which depends on the number of years for which they held the Consolidated Shares. They may also be entitled to set all or part of such gains against their annual capital gains tax exemption (£8,500 for 2005-06).

UK resident companies are subject to corporation tax on chargeable gains generally at the rate of 30 per cent.

10.1.5 Inheritance tax

A gift of Consolidated Shares or the death of a holder of Consolidated Shares may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift.

10.1.6 Anti-avoidance provisions

The attention of Shareholders within the charge to UK tax is drawn to sections 703 to 709 of the Income and Corporation Taxes Act 1988 (“the 1988 Act”). These contain provisions to cancel tax advantages from certain transactions in securities which may render such Shareholders liable to taxation in respect of, *inter alia*, the issue, redemption or sale of Consolidated Shares or distributions of a capital nature in respect of them.

The attention of Shareholders who are individuals ordinarily resident in the UK is drawn to sections 739 and 740 of the 1988 Act. These contain provisions to prevent avoidance of UK income tax by individuals by transactions resulting in income arising to persons (including companies) abroad and which may render such individuals liable to taxation in respect of undistributed income and profits of the Company.

The attention of Shareholders who are resident or ordinarily resident in the UK (and who, if individuals, are domiciled in the UK) is also drawn to section 13 of the Taxation of Chargeable Gains Act 1992. If the Company is not resident in the UK but would be a “close” company if it were so resident, the provisions of this section may in certain circumstances have the effect of subjecting such a Shareholder to UK capital gains tax (or, in the case of companies, corporation tax on chargeable gains) on an apportioned part of any capital gains accruing to the Company. Such a charge to tax would not, however, apply where 10 per cent or less of the capital gain would be apportioned to the Shareholder and to persons connected with him.

The provisions concerning controlled foreign companies included in Chapter IV of Part XVII of the 1988 Act have the effect in certain circumstances of making a company resident

in the UK liable to UK corporation tax on, or by reference to, the profits of a company resident outside the UK (such as the Company). Such charge to tax would not, however, apply where less than 25 per cent of the non-resident company's "chargeable profits" could be apportioned to the resident company or to associated or connected persons, if the "public quotation condition" is satisfied or if the non-UK resident company pursues an "acceptable distribution policy".

EU Directive on taxation of savings income

- 10.1.7 Any person regarded as a "paying agent" for the purposes of the Taxation of Savings Income Directive (EC Directive 2003/48/EC) may be required to disclose details of payments of interest and other income to certain categories of investor to HM Revenue & Customs, who will pass such details to the Member State where the investor resides.

A holder of shares in the Company or potential investor who is in any doubt as to his or her tax position (in the UK or otherwise), or is subject to tax in any jurisdiction other than the UK should consult his or her professional advisers without delay.

10.2 Luxembourg and South African taxation

If the Company is effectively managed in Luxembourg, then pursuant to the United Kingdom/Luxembourg DTA, it would be regarded as resident in Luxembourg and not resident in the United Kingdom and the tax consequences set out below would apply to it.

The Company

10.2.1 Luxembourg tax treatment of foreign dividends

Dividends received by the Company will be exempt from Luxembourg corporate income tax under the participation exemption if the following requirements are satisfied:

- 10.2.1.1 the SPV is subject to a tax that is similar to Luxembourg corporate income tax i.e. in practice at a rate of at least 11 per cent on a comparable basis; and
- 10.2.1.2 at the time of distribution, the shares in the SPV must have been held for a period of 12 months (or the Company must undertake to hold the shares in the SPV for such a period); and
- 10.2.1.3 the participation must either consist of at least 10 per cent of the issued nominal share capital of the SPV or have an acquisition price of at least €1.2 million.

10.2.2 Luxembourg corporate income tax on gains made from the sale of shares in the SPV

If the Company met the requirements of the Luxembourg participation exemption, any capital gains realised on the sale of shares in the SPV would be exempt from Luxembourg tax. The requirements that need to be satisfied are:

- 10.2.2.1 the shareholding must represent at least 10 per cent of the capital of the SPV throughout the 12 month period referred to below or the acquisition cost must be at least €6 million;
- 10.2.2.2 the shares in SPV must be held for a period of 12 months (or if only part of the participation is sold within the 12 month period, the balance must continue to be in excess of 10 per cent or to have an acquisition price in excess of €6 million for the balance of that period); and
- 10.2.2.3 the SPV must be a non-resident capital company fully subject to a tax comparable to Luxembourg corporate income tax.

Other income received by the Company will generally be regarded as trading income and will therefore be taxable at the aggregate corporate tax rate of 30.38 per cent. This rate of tax reduces to 29.63 per cent from 1 January 2006 in the case of companies with a principal establishment located in Luxembourg City. It is envisaged that the Company will not receive any income other than distributions consisting of dividends from qualifying shareholdings or proceeds from the sale of qualifying shareholdings.

Capital duty

Capital duty is chargeable on the creation of the principal establishment in Luxembourg and on any increase in the Company's issued share capital. The duty is charged at a rate of 1 per cent on the consideration for the issue of shares.

Net wealth tax

Net wealth tax at a rate of 0.5 per cent applies to the net asset value of a Luxembourg resident company at the end of an accounting period. A shareholding held by a Luxembourg tax resident company will not be subject to net wealth tax where that shareholding has the same characteristics as described above in relation to dividend income except that:

10.2.2.4 the "subject to tax" requirement (set out above) does not include a requirement that such tax must correspond to Luxembourg corporate tax; and

10.2.2.5 there is no holding period requirement (as set out above).

10.2.3 South African withholding tax

The dividends paid by the SPV will not be subject to any South African withholding tax. To the extent that these dividends do not carry an STC credit, STC in the amount of 12.5 per cent of the dividend declared will be payable by the SPV. The SPV will be responsible for withholding the STC and paying it over to the South African Tax Authorities.

10.2.4 South African tax on capital gains

Under South African domestic law, the Company as a non-resident will not be subject to South African CGT upon the sale of the shares in the SPV, unless the SPV were a land-rich company (which includes mining titles). In the case of a land-rich SPV, the provisions of the South Africa/Luxembourg DTA could preclude South Africa from taxing the Company on any gain made on the shares in the SPV, provided that the South Africa/Luxembourg DTA applied to the Company (rather than the South Africa/United Kingdom DTA).

10.2.5 South African tax on trading gains

If any gain on the sale of the shares in the SPV were characterised under South African domestic tax principles as a trading gain, the trading gain should in terms of the South Africa/Luxembourg DTA not be subject to South African tax, unless the Company had a permanent establishment in South Africa. It is generally envisaged that the activities of BMSA (the Investment Sub-Advisor) may not cause the Company to have a permanent establishment in South Africa.

Shareholders

10.2.6 Luxembourg withholding tax

Dividends declared to the Company's Shareholders will be subject to a 15 per cent Luxembourg withholding tax when paid to United Kingdom shareholders having a less than 10 per cent shareholding in the Company. Dividends paid to Shareholders who are not resident in a country that has a DTA with Luxembourg will be subject to a 20 per cent Luxembourg withholding tax.

A share buy-back would also trigger the Luxembourg withholding tax to the extent that it was funded out of reserves.

No Luxembourg withholding tax is, however, levied upon distributions of capital and surplus made on a liquidation of a company. Accordingly, if the Company were to be liquidated after a period of, for example, five years and Company's assets were to be distributed to its shareholders pursuant to the liquidation, no Luxembourg dividend withholding tax would be levied upon the distribution.

Generally, non resident persons may dispose of shares in a Luxembourg company without incurring Luxembourg tax. However, where a person who is regarded as a substantial shareholder, disposes of their shareholding within six months of acquisition, the gain may be liable to tax in Luxembourg unless exempted under the terms of a double taxation agreement. A person will be regarded as a substantial shareholder if the person held more than 10 per cent of the shares in the company at any time within the previous five years.

11. Litigation

The Company is not engaged in any legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against the Company of which the Company is aware) which may have or have had during the period of 12 months preceding the date of this Document a significant effect on the Company's financial position.

12. Working capital

The Directors are of the opinion that the Company has sufficient working capital for its present requirements (that is, for at least the next 12 months from Admission).

13. Significant change

Save in connection with the Proposals, there has been no significant change in the financial or trading position of the Company since 30 September 2005, the date to which the most recent audited accounts have been published as set out in Part 3 of this Document.

14. General

14.1 The total charges (exclusive of VAT) payable by the Company in connection with the Proposals and the Placing, on the basis that the Placing is effected, are estimated to amount to approximately £730,000 in addition to the commissions payable in respect of the Placing.

14.2 The new Consolidated Shares have a nominal value of £1 each.

14.3 BDO Stoy Hayward LLP of Northside House, 69 Tweedy Road, Bromley, Kent BRI 3WA has given and has not withdrawn its written consent to the issue of this Document with the inclusion of a copy of its accountants' report reproduced in Part 3 and the references thereto and to its name in the form and context in which they appear and has authorised the contents of those parts of this Document which comprise its report and the said references for the purposes of Regulation 6(1)(e) of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956).

14.4 Shore Capital and Shore Capital Trading Limited have given and have not withdrawn their written consent to the issue of this Document with the inclusion in it of their names and references to them in the form and context in which they appear.

14.5 The Company's accounting reference date is 31 December.

14.6 The financial information contained in this Document does not amount to statutory accounts within the meaning of section 240(5) of the Act. Statutory accounts of the Company relating to each completed financial year to which the financial information relates and on which the auditors gave unqualified reports have been delivered to the Registrar of Companies. The financial statements of the Company in respect of the three years ended 31 December 2004 were reported on by BDO Stoy Hayward LLP of Northside House, 69 Tweedy Road, Bromley, Kent BRI 3WA, Chartered Accountants, the auditors of the Company within the meaning of section 235 of the Act.

15. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Macfarlanes at 10 Norwich Street, London EC4A 1BD during usual business hours on any weekday (Saturdays and public holidays excepted) from the date of this Document until the date following one month after Admission:

15.1 the audited accounts of the Company for the periods ended 31 December 2003 and 31 December 2004;

15.2 the accountants' report set out in Part 3;

15.3 the Directors' service agreements and letters of appointment referred to in paragraph 6 above;

15.4 the material contracts referred to in paragraph 9 above; and

15.5 the written consents referred to in paragraphs 13.3 and 13.4 above.

Copies of this Document are available free of charge from the Company's registered office during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Document for a period of one month from Admission.

18 January 2006

DEFINITIONS

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

“Act”	the Companies Act 1985, (as amended)
“Admission”	the admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with paragraph 6 of the AIM Rules
“AIM”	the AIM Market operated by the London Stock Exchange
“AIM Rules”	the rules for companies whose shares are traded on AIM, and their nominated advisers and issued by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Audley Capital”	Audley Capital Advisors LLP
“AVA”	Active Value Advisors Limited
“BEE Act”	South Africa’s Black Economic Empowerment Act
“Blackstar Managers”	Blackstar Managers Limited (registration no: 629747), a private company incorporated in the British Virgin Islands
“BMSA”	Blackstar Managers South Africa (Pty) Ltd, a private company registered in South Africa (registration number: 2005/042844/07)
“Bonus Issue”	the bonus issue to Shareholders of four new Consolidated Shares for every Consolidated Share on Consolidation pursuant to the resolution numbered 6 to be proposed at the EGM
“Capita Registrars”	a trading division of Capita IRG Plc
“Capricorn”	Capricorn Capital Partners (Pty) Ltd, a private equity group based in South Africa
“Circular”	the circular dated 30 December 2005 issued to Shareholders containing details of the Proposals and notice of the EGM
“City Code”	the City Code on Takeovers and Mergers
“Combined Code”	the Combined Code of Corporate Governance published by the Financial Reporting Council in July 2003
“Company” or “Illuminator”	Illuminator PLC (registration number 2396996), a public company incorporated in England and Wales, which is to be renamed “Blackstar Investors PLC”
“Consolidation”	the bonus issue of new Ordinary Shares to Shareholders on a non-pro rata basis to seek to ensure that all holdings are in multiples of 100 Ordinary Shares and the consolidation of the existing and new Ordinary Shares into Consolidated Shares pursuant to the resolution numbered 1 to be proposed at the EGM
“Consolidated Shares”	the ordinary shares of £1 each in the capital of the Company arising following the Consolidation
“CREST”	the relevant system for the paperless settlement of share transfers and the holding of shares in uncertificated form operated by CRESTCo
“CRESTCo”	CRESTCo Limited, the operator of CREST
“Directors” or “Board”	the directors and the Proposed Directors of the Company whose names are set out on page 5 of this Document

“Document”	this document
“EGM”	the extraordinary general meeting of the Company to be held pursuant to the notice set out at the end of the Circular
“Enlarged Share Capital”	the issued share capital of the Company immediately following completion of the Proposals
“Eurosteel”	Eurosteel Group (Pty) Ltd, a private company registered in South Africa (registration number: 2004/032337/07)
“Form of Proxy”	the form of proxy for use by Shareholders enclosed with the Circular to enable Shareholders to appoint one or more proxies to attend the EGM and, on a poll, to vote instead of that Shareholder
“FSA”	the Financial Services Authority
“Group”	the Company and its subsidiaries
“Independent Director”	David Brock who is a Director
“Investment Advisory Agreement”	the conditional investment advisory agreement dated 30 December 2005 between the Company and Blackstar Managers
“London Stock Exchange”	London Stock Exchange plc
“Memorandum of Association”	the memorandum of association of the Company
“Official List”	the Official List of the UKLA
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the possible placing of new Consolidated Shares following the EGM
“Placing Agreement”	the proposed agreement to be entered into between the Company, the Directors and Shore Capital, relating to the Placing
“Proposals”	the proposed change of investing strategy, the Consolidation and the Bonus Issue
“Proposed Directors”	Andrew Bonamour, Dr Denis Worrall and Wolfgang Baertz
“Record Date”	the date and time of entitlement for Shareholders in respect of the Consolidation and the Bonus Issue
“SA Government”	the government of the Republic of South Africa
“Shareholders”	holders of Ordinary Shares or Consolidated Shares (as the case may be)
“Shore Capital”	Shore Capital and Corporate Limited, authorised and regulated by the FSA
“Siyahamba Consortium”	a consortium formed between the Company, Capricorn and Siyahamba Engineering (Pty) Ltd
“UK Listing Authority” or “UKLA”	the FSA, acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000

Note: Amounts in Rand (R) have been translated into Pounds Sterling (£) on the basis of R11.1: £1. The approximate exchange rate as at 17 January 2006 is R10.6: £1.

GLOSSARY

“BEE”	Black Economic Empowerment in South Africa
“CGT”	Capital Gains Tax
“Codes”	Codes of Good Practice issued by the South African Minister of Trade and Industry pursuant to the terms of the BEE Act
“DTA”	Double Tax Agreements
“EBITDA”	Earnings before Interest, Taxation, Depreciation and Amortisation
“GDP”	Gross Domestic Product
“IDC”	The Industrial Development Corporation of South Africa Ltd is a self-financing, national Development Finance Institution. It was established in 1940 to promote economic growth and industrial development in South Africa
“IRR”	Internal Rate of Return
“JSE”	Johannesburg Stock Exchange
“NEF”	The National Empowerment Fund is a government initiative to be the catalyst of broad-based Black Economic Empowerment in South Africa. It enables, develops, promotes and implements innovative investment and transformation solutions to advance sustainable Black economic participation
“PIC”	The PIC is an investment management company wholly owned by the South African government. It invests funds on behalf of public sector entities
“SPV”	Special Purpose Vehicle
“STC”	Secondary Tax on Companies

