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Keller Group plc

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**Acquisition of McKinney Drilling Company,  
placing to raise £5.1m and trading update**

Keller Group plc ("Keller") is pleased to announce today the acquisition by Keller Foundations Inc. ("KFI"), a wholly-owned subsidiary of Keller, of McKinney Drilling Company ("McKinney"), a leading provider of drilled shaft caissons in the Eastern United States, for an initial consideration of approximately US\$26m (£17m) and maximum deferred consideration of US\$24m (£15m) dependent on McKinney's results in the two years ended 31 December 2004. The initial consideration will be satisfied by a fully underwritten placing to raise approximately £5.1 million (the "Placing") after costs, with the balance from an extension of existing bank facilities.

In addition, Keller is also announcing an update on trading for the year to 31 December 2002 and prospects for the Group for 2003.

**Highlights:**

- acquisition of McKinney, a leading provider of drilled shaft caissons in the Eastern United States, for an initial consideration of US\$26 million (£17 million)
- the acquisition consolidates further Keller's position as the leading provider of foundation services in the US
- the transaction is expected to be immediately earnings enhancing\* and is asset-backed
- initial consideration to be satisfied by a placing of 2,215,000 shares at 240p per share and the extension of existing bank facilities
- the Board is confident of reporting in March 2003 results for the current financial year marginally ahead of its previous expectations with increased margins and strong operating cash flow
- the Group's order book as at 30 November 2002 stood at around four months' sales, providing the basis for a positive start to 2003

A presentation for analysts and investors to discuss today's announcement will be held today at 9.45 a.m. for 10.00 a.m. at the offices of Weber Shandwick Square Mile, Fox Court, 14 Gray's Inn Road, London, WC1X 8WS.

**Tom Dobson, Chief Executive of Keller, commented:**

"The acquisition of McKinney represents an excellent opportunity to acquire a high margin, well-established business at an attractive price and consolidate further Keller's position as the leading provider of foundation services in the US by adding complementary strength and scope to our existing operations there.

"The transaction is expected to be immediately earnings enhancing\*, is asset-backed and is expected to enable Keller to increase further its already sector leading margins."

*\*Nothing in this announcement should be construed as a profit forecast or be interpreted to mean that earnings per share of Keller for the current year or future years will necessarily match or exceed the historical published earnings per share of Keller.*

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## **Introduction**

Keller announces the acquisition by KFI, a wholly-owned subsidiary of Keller, of McKinney, a leading provider of drilled shaft caissons in the Eastern United States, for an initial consideration of approximately US\$26 million (£17 million). The initial consideration will be satisfied by a placing to raise approximately £5.1 million (the "Placing") with the balance coming from an extension of existing bank facilities. The Placing has been fully underwritten by Dresdner Kleinwort Wasserstein Limited ("Dresdner Kleinwort Wasserstein").

In addition, Keller is also announcing an update on trading for the year to 31 December 2002 and prospects for the Group for 2003.

## **Current trading and outlook**

Since reporting a good set of interim results on 22 August 2002, trading across the Group has continued strongly through to 30 November 2002. Within the Foundations Division, which accounts for around 70 per cent of turnover, the Continental Europe and Overseas business has given another robust performance, particularly in France, Sweden and the Far East. Australia and Indonesia are having an excellent second half and in the US, Hayward Baker and Case are on track to report a record year. In the UK, where market conditions in the foundations sector remain relatively stable, we expect to achieve improved margins on reduced sales. Within the Specialist Services Division, Suncoast was impacted by adverse weather in Texas during October but, overall, margins are in line with the first half. The Makers business is set to return a good result, as it realises the benefits from increased expenditure in its key markets of social housing, car parking and infrastructure. The Board is therefore confident of reporting results for the current financial year slightly ahead of its previous expectations.

Order books for the Group as at 30 November 2002 stood at around four months of budgeted sales, providing the basis for a positive start to 2003. Prospects for the Far East and Australia look extremely good, whilst in Continental Europe, Keller-Terra, the recently announced joint venture in Spain, is expected to boost performance. In the US, work-in-hand currently represents approximately four and a half months of budgeted sales. Whilst overall construction expenditure in the US is forecast to decline by 1 per cent in 2003, infrastructure spending remains strong. The Board believes Keller will continue to benefit from its favourable split between public and private sector contracts, its exposure to repair and upgrade projects and continued geographic expansion.

## **Information on McKinney**

McKinney is a long-standing (over 50 years) family-owned business operating out of 12 regional offices across the Eastern US. It is, predominantly, a sub-contractor providing drilled shaft caisson foundations for all types of structures, and operates principally in civil (highways and bridges) and commercial markets. The average size of contracts undertaken is approximately US\$40,000 (£26,000). In addition, McKinney also operates its own facility for the manufacture of drilling equipment.

McKinney reported sales of US\$70.8 million (£45.7 million) and profit before tax of US\$9.6 million (£6.2 million) in the year ended 31 January 2002 and had net assets of US\$48.4 million (£31.2 million) as at 31 January 2002. After taking into account adjustments to reflect the ongoing business as being acquired by Keller, EBITDA for the year ended 31 January 2002 was US\$12.0 million (£7.7 million). Keller estimates the fair value of the net assets being acquired to be approximately US\$32.7 million (£21.1 million) at completion.

For the 9 months ended 31 October 2002, the unaudited management accounts of McKinney, as adjusted, show EBITDA of US\$6.4 million (£4.1 million) on sales of US\$46.7 million (£30.1 million). The results for the full year are therefore expected to be significantly below those recorded to 31 January 2002 reflecting the abnormally high level of trading achieved in that year. The Board expects a continuation of this more normal level of trading going forward.

## **Rationale for the acquisition**

McKinney is a high margin, well-established business which will further consolidate Keller's position as the leading provider of foundation services in the US by adding complementary strength and scope to its existing operations there. Keller has been operating in the US foundations market for over 20 years and knows McKinney's operations and its markets well. Since flotation Keller has demonstrated its ability to drive shareholder value from bolt-on acquisitions in Foundations Services.

The transaction is expected to be immediately earnings enhancing\*, is asset-backed and is expected to enable Keller to increase further its already sector leading margins.

## **Principal terms and financial effects of the acquisition**

The initial consideration, subject to a net asset adjustment, is expected to be US\$26 million (£17 million) payable in cash on completion. The initial consideration is being funded by a placing of 2,215,000 shares to raise approximately £5.1 million and the extension of existing bank facilities. In addition to the initial consideration Keller may pay a maximum deferred consideration of up to \$24 million (£15 million), dependent upon the results of McKinney for the two years ended 31 December 2004. Of this deferred consideration, up to US\$14 million (£9 million) will become payable on a dollar for dollar basis to the extent that aggregate EBITDA for the two years exceeds US\$12million (£7.7 million), and up to US\$10 million (£6.4 million) will become payable on the basis of 50 cents for every dollar that aggregate EBITDA for those two years exceeds US\$26 million (£17 million). The deferred consideration will be paid in cash.

Following the transaction, Keller's pro forma net debt will be £78.8 million compared to £61.4 million reported in the unaudited interim results for the six months ended 30 June 2002.

## **Details of the placing**

Keller proposes to raise approximately £5.1 million, after expenses, by way of a placing of 2,215,000 new Keller shares (the "Placing Shares") priced at 240p per share, representing a discount of approximately 5.3 per cent to the closing mid-market price on Monday 16 December 2002. The Placing Shares will represent approximately 3.5 per cent. of the existing issued share capital of the Company and will rank *pari passu* with the existing shares. The Placing is fully underwritten by Dresdner Kleinwort Wasserstein.

Application has been made to the UK Listing Authority and to the London Stock Exchange for the Placing Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities ("Admission"). It is expected that Admission will become effective from 8.00 a.m. on 20 December 2002 and dealings will commence at that time.

Dresdner Kleinwort Wasserstein has entered into a placing and underwriting agreement with the Company whereby Dresdner Kleinwort Wasserstein has agreed subject to the conditions set out therein to use its reasonable endeavours as agent of the Company to procure placees to subscribe for the Placing Shares and, in so far as it is unable to procure placees, to itself subscribe for any remaining Placing Shares.

The Placing is directed only at persons having professional experience in matters relating to investments and, accordingly, the Placing Shares will only be available to such persons.

The terms and conditions set out in Appendix I to this announcement shall apply to the Placing.

*\*Nothing in this announcement should be construed as a profit forecast or be interpreted to mean that earnings per share of Keller for the current year or future years will necessarily match or exceed the historical published earnings per share of Keller.*

*This announcement includes 'forward-looking statements'. All statements relating to Keller and McKinney other than statements of historical facts included in this announcement, including, without limitation, those statements regarding the financial position, results of operations, business and outlook of Keller and/or McKinney are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Keller or McKinney or the markets and economies in which they operate to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Keller and McKinney's present and future business strategies and the environment in which Keller and McKinney will operate in the future. These forward-looking statements speak only as at the date of this announcement. Keller expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in Keller's expectations with regard thereto or any change in events, conditions, circumstances or assumptions on which any such statement is based.*

*Dresdner Kleinwort Wasserstein is acting exclusively for Keller in connection with the Placing and for no one else and will not be responsible to anyone other than Keller for providing the protections afforded to customers of Dresdner Kleinwort Wasserstein nor for providing advice in relation to the Placing or any other matters referred to in this announcement.*

*This announcement has been issued by Keller and is the sole responsibility of Keller. This announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any such security or investment advice.*

*Neither this announcement nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into the United States, Canada, Australia or Japan. Any failure to comply with this restriction may constitute a violation of US, Canadian, Australian or Japanese securities laws. This announcement and Appendix 1 to this announcement do not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities in the United States, Canada, Australia, Japan or any jurisdiction in which such offer or solicitation is or may be unlawful and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan or any jurisdiction in which such publication or distribution is or may be unlawful. The Placing Shares referred to in this announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, may not be offered or sold within the United States. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.*

*The distribution of this announcement and the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by laws of the relevant jurisdictions. No action has been taken by Keller or Dresdner Kleinwort Wasserstein that would permit an offer of such Placing Shares or possession or distribution of this announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and Dresdner Kleinwort Wasserstein to inform themselves about and observe any such applicable legal requirements in their respective jurisdictions.*

#### **Appendix 1 - TERMS AND CONDITIONS OF THE PLACING**

*By participating in the Placing, you are deemed to have read and understood this Appendix in its entirety and to be providing the representations, warranties and acknowledgements contained in this Appendix. In particular you represent, warrant and acknowledge that you are a person whose ordinary activities involve you in acquiring, holding, managing or disposing of any investments (as principal or agent) for the purpose of your business and undertake that you will acquire, hold, manage or dispose of any Placing Shares that are allocated to you for the purpose of your business.*

#### **Details of the Placing Agreement and the Placing Shares**

*Dresdner Kleinwort Wasserstein has entered into a placing agreement (the “Placing Agreement”) with the Company whereby it has, subject to the conditions set out therein, undertaken to use all reasonable endeavours to procure, on behalf of the Company, Placees to subscribe for the Placing Shares at the Placing Price and, to the extent it does not procure Placees to subscribe for the Placing Shares, itself to subscribe as principal for the Placing Shares at the Placing Price.*

*The Placing Shares will when issued be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of 10p each in the capital of the Company including the right to receive all dividends and other distributions declared, made or paid in respect of such ordinary shares after the date of issue of the Placing Shares.*

*In this Appendix, unless the context otherwise requires, “Placee” means a person (including individuals, funds or others) on whose behalf a commitment to subscribe for Placing Shares has been given and “Placees” shall be construed accordingly.*

#### ***Application for listing and admission to trading***

*Application will be made to the UK Listing Authority for admission of the Placing Shares to the Official List maintained by the UK Listing Authority (the “Official List”) and to London Stock Exchange plc (the “London Stock Exchange”) for admission to trading of the Placing Shares on the London Stock Exchange’s market for listed securities (together “Admission”).*

#### ***Conditions of the Placing***

*The obligations of Dresdner Kleinwort Wasserstein under the Placing Agreement are conditional, inter alia, on:*

- 1 admission by the UK Listing Authority of the Placing Shares to the Official List of the UK Listing Authority becoming effective by the making of an announcement in accordance with Rule 7.1 of the Listing Rules of the UK Listing Authority and the admission of the Placing Shares to trading on London Stock Exchange’s market for listed securities becoming effective in accordance with paragraph 2.1 of the Admission and Disclosure Standards produced by the London Stock Exchange by no later than 31 December, 2002 (or by such other date as may be agreed between the Company and Dresdner Kleinwort Wasserstein);*
- 2 the Company complying with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to Admission including the delivery, immediately prior to Admission, to Dresdner Kleinwort Wasserstein of a certificate confirming, inter alia, that none of the warranties or undertakings referred to in the Placing Agreement has been breached or is unfulfilled or was untrue, inaccurate or misleading when made and none of such warranties would be breached or unfulfilled or would be untrue, inaccurate or misleading were it to be repeated by reference to the facts and circumstances subsisting which in any such case is material in the context of the Placing;*
- 3 the acquisition agreement between the Company and the vendors of McKinney (the “Vendors”) (the “Acquisition Agreement”) remaining in full force and effect and becoming wholly unconditional prior to or on Admission save for any condition therein as to the receipt of bank financing under the Facility Agreement for the purposes of the Acquisition;*
- 4 the facility agreement between the Company and its bankers (the “Banks”) (the “Facility Agreement”) remaining in full force and effect and becoming wholly unconditional prior to or on Admission save for any condition therein as to the Placing Agreement becoming unconditional; and*
- 5 the Company allotting, subject only to Admission, the Placing Shares in accordance with the terms of the Placing Agreement.*

*If, (a) the conditions above are not fulfilled in all respects or waived by Dresdner Kleinwort Wasserstein or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and your rights and obligations hereunder shall cease and determine at such time and no claim can be made by you in respect thereof.*

*By participating in the Placing you agree that your rights and obligations hereunder terminate only in the circumstances described above, and will not be capable of rescission or termination by you.*

*Dresdner Kleinwort Wasserstein reserves the right to waive or extend the time and/or date for fulfillment of any of the conditions in the Placing Agreement (save that fulfillment of the condition in paragraph 1 above may not be waived). Any such extension or waiver will not affect Placees' commitments. Dresdner Kleinwort Wasserstein shall have no liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement.*

#### ***Right to terminate under the Placing Agreement***

*Dresdner Kleinwort Wasserstein will be entitled in its absolute discretion by notice to the Company prior to Admission to terminate its obligations under the Placing Agreement if:*

- 1 the warranties given by the Company in the Placing Agreement are not true and accurate (or would not be true and accurate if they were repeated at any time before Admission) in all material respects by reference to the facts subsisting at the relevant time;*
- 2 the Company fails in any material respect to comply with any of its obligations under the Placing Agreement, the Acquisition Agreement or the Facility Agreement;*
- 3 the Vendors or the Banks fail in any material respect to comply with any of their material obligations under the Acquisition Agreement or the Facility Agreement respectively;*
- 4 there has been a material adverse change in the financial or trading position or prospects of the Group (being the Company and its subsidiary undertakings); or*
- 5 in the absolute discretion of Dresdner Kleinwort Wasserstein, there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any Stock Exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption in commercial banking as would be likely to prejudice the success of the Placing.*

*By participating in the Placing you agree with Dresdner Kleinwort Wasserstein that the exercise by it of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of it and that Dresdner Kleinwort Wasserstein need not make any reference to you and that it shall have no liability to you whatsoever in connection with any such exercise.*

#### ***No Prospectus***

*No prospectus has been or will be submitted to be approved by the UK Listing Authority or filed with the Registrar of Companies in England and Wales in relation to the Placing and the Placees' commitments will be made solely on the basis of the information contained in this announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of Dresdner Kleinwort Wasserstein or the Company and that Dresdner Kleinwort Wasserstein will not be liable for any Placee's decision to participate in the Placing based on any other information, representation,*

*investigation of the business, financial or other position of the Company in deciding to participate in the Placing. Nothing in this paragraph should exclude the liability of any person for fraudulent misrepresentation.*

### **Registration and Settlement**

*Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Dresdner Kleinwort Wasserstein reserves the right to require settlement for and delivery of the Placing Shares in such other means that it deems necessary if delivery or settlement is not possible within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.*

*Settlement will be on a T+3 basis.*

*Interest is chargeable daily on payments to the extent that value is received after the due date at the rate per annum of 2 percentage points above the base rate from time to time of Barclays Bank plc.*

*If you not comply with these obligations, Dresdner Kleinwort Wasserstein may sell the Placing Shares allocated to you and retain from the proceeds, for its own account and benefit, an amount equal to the Placing Price plus any interest due. You will, however, remain liable for any shortfall below the Placing Price and you may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of your Placing Shares on your behalf.*

*If Placing Shares are to be delivered to a custodian or settlement agent, please ensure that the contract note is copied and delivered immediately to the relevant person within that organisation.*

*Insofar as Placing Shares are registered in your name or that of your nominee or in the name of any person for whom you are contacting as agent or that of a nominee for such persons, such Placing Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. You will not be entitled to receive any fee or commission in connection with the Placing.*

### **Representations and Warranties**

*By participating in the Placing each Placee (and any person acting on its behalf) represents, warrants, acknowledges and agrees that:*

1. *it and/or each person or body on whose behalf it is participating (in whole or in part) in the Placing or to whom it allocates its Placing Shares in whole or in part:*
  - (i) *has all the necessary capacity and authority and is entitled to enter into and perform its obligations as a subscriber of Placing Shares and will honour such obligations; and*
  - (ii) *has fully observed all laws of relevant jurisdictions and obtained all necessary governmental or other consents and authorities in either case which may be relevant or required in relation to the subscription by it of Placing Shares (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement);*
2. *it has not offered or sold and will not offer or sell any Placing Shares in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (either as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in offers to the public in the United Kingdom within the meaning of Schedule 11 to the Financial Services and Markets Act 2000 ("FSMA");*

3. *it is not a US Person (as defined in Regulation S under the Securities Act) and the Placing Shares have not been and will not be registered under the Securities Act and it will not offer or sell the Placing Shares in the United States and it has not engaged and will not engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) with respect to the Placing Shares;*
4. *it is not a resident of Australia, Canada or Japan and the Placing Shares have not been and will not be registered nor will a prospectus be cleared in respect of any of the Placing Shares under the securities legislation of Australia, Canada or Japan and, subject to certain exceptions (with which it is the Placee's responsibility to comply), may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;*
5. *it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governments and other guarantees and other consents which may be required thereunder and complied with all necessary formalities;*
6. *it has not received nor relied on any information given or representations, warranty or statements made by or on behalf of Dresdner Kleinwort Wasserstein or the Company in connection with the Placing other than information contained in this announcement and any information previously published by the Company by notification to a Regulatory Information Service (as defined in the Listing Rules of the UK Listing Authority) and that neither the Company nor Dresdner Kleinwort Wasserstein will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement, and that before relying on any previously published information it has made its own investigation and satisfied itself that the information is still current. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;*
7. *it understands that no prospectus or offering document has been prepared in connection with the Placing Shares;*
8. *the content of this announcement is exclusively the responsibility of the Company;*
9. *neither Dresdner Kleinwort Wasserstein nor any person acting on behalf of Dresdner Kleinwort Wasserstein has or shall have any liability for any publicly available or filed information or representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;*
10. *Dresdner Kleinwort Wasserstein is not making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing or otherwise. In addition, participation in the Placing is on the basis that a Placee is not and will not be a client or customer of Dresdner Kleinwort Wasserstein and that Dresdner Kleinwort Wasserstein does not have duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any warranties, undertakings or indemnities contained in the Placing Agreement;*
11. *the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);*
12. *its rights and obligations hereunder will not be capable of rescission or termination by the Placee;*
13. *it, and any person acting on its behalf, falls within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001, as amended, and undertake that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes*

14. *the Placing Shares will be issued subject to the terms and conditions of this Appendix;*
15. *this Appendix and any agreements into which this Appendix is incorporated by reference will be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract;*
16. *it has complied with its obligations in connection with money laundering under the Criminal Justice Act 1993 and the Money Laundering Regulations 1993 (the "Regulations") and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party, as required by the Regulations;*
17. *it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;*
18. *(a) the person who it specifies for registration as holder of the Placing Shares will be (i) the Placee or (ii) a nominee of the Placee, as the case may be; (b) neither Dresdner Kleinwort Wasserstein nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to comply with this requirement; (c) it and any person acting on its behalf agrees to subscribe on the basis that the Placing Shares will be allotted to the CREST stock account of Dresdner Kleinwort Wasserstein who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions; and*
19. *it undertakes that it will pay for the Placing Shares acquired by it in accordance with this announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Dresdner Kleinwort Wasserstein determines.*

*END*