THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant who specialises in advising upon investment in shares and other securities or other appropriate independent financial adviser, duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your Baltimore Shares or, as the case may be, Oryx Shares, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. In particular, such documents should not be distributed in, forwarded to or transmitted in or into the United States or any Restricted Jurisdiction.

A copy of this document, which comprises a prospectus with regard to Oryx International Growth Fund Limited and the Oryx C Shares, and has been prepared in accordance with the Prospectus Rules, has been delivered to the FSA in accordance with Rule 3.2 of the Prospectus Rules.

You should read the whole of this document. In particular, you should take account of the section entitled Risk Factors on pages 9 to 12 of this document for a discussion of the risks that might affect the value of your shareholding in Oryx.

ORYX INTERNATIONAL GROWTH FUND LIMITED

(a closed-ended investment company incorporated in Guernsey with registration number 28917)

Prospectus

Proposed issue of Oryx C shares in the Company
in connection with the offer for the entire issued share capital of Baltimore plc by
Oryx International Growth Fund Limited

Sponsored by

Arbuthnot Securities Limited

The Guernsey Financial Services Commission has granted its consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, for the circulation of this document insofar as it relates to the issue of the Oryx C Shares. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accept any responsibility for the financial soundness of Oryx or for the correctness of any of the statements made or opinions expressed with regard thereto.

This document includes particulars given in compliance with the Listing Rules and Prospectus Rules of the Financial Services Authority for the purpose of giving information with regard to the Company. Oryx and the Directors of Oryx, whose names appear on page 14 of this document, accept responsibility for this document. The Oryx Directors and Oryx itself declare that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their and its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Application will be made to the FSA for the Oryx C Shares proposed to be issued in connection with the Offer to be admitted to the Official List, and will be made to the London Stock Exchange for the Oryx C Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission to the Official List and the London Stock Exchange will become effective, and that dealings in the Oryx C Shares will commence, on the first Business Day immediately following the date on which the Offer becomes or is declared unconditional in all respects, save only for the conditions relating to Admission.

The Offer is not an offer of securities for sale in the United States or in any jurisdiction in which such an offer is unlawful. The Oryx C Shares to be issued in connection with the Offer have not been, nor will they be, registered under the US Securities Act of 1933, as amended, or under the securities laws of any state of the United States and may not be offered or sold in the United States, absent registration or an applicable exemption from registration. No public offering of the securities will be made in the United States. This document and any accompanying documents are not being made available to Baltimore Shareholders with registered addresses in the United States or any Restricted Jurisdiction and may not be treated as an invitation to subscribe for any Oryx C Shares by any person resident or located in such jurisdictions or any other Restricted Jurisdiction. Any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or any accompanying documents to the United States or any Restricted Jurisdiction should seek appropriate advice before taking any action.

The Oryx C Shares have not been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, the Oryx C Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

The Company has not been registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Based on interpretations of the Investment Company Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the Investment Company Act. The Directors will not knowingly permit the number of holders of Shares who are US Persons to exceed 75.

The Articles of Association of the Company give power to the Directors to require the transfer of Shares owned or which appear to be owned directly or beneficially by a "Non-Qualified Person" – which includes, any person who, by virtue of his holding, might in the opinion of the Directors, cause or be likely to cause the Company or a Shareholder some pecuniary or tax disadvantage, or who is a US Person (see Part VIII – "Additional Information – Articles of Association" – paragraph 4.2.3(b)).

Arbuthnot Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Oryx and for no one else in connection with the Offer and will not be responsible to any other person for providing the protections afforded to clients of Arbuthnot Securities or for providing advice in relation to the Offer or any matters referred to herein. Arbuthnot Securities is not making any representation or warranty, express or implied, as to the contents of this document.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

NONE OF ORYX, ARBUTHNOT SECURITIES OR THEIR RESPECTIVE REPRESENTATIVES IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE ORYX C SHARES OFFERED HEREBY REGARDING THE LEGALITY OF AN INVESTMENT BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE INVESTMENT OR SIMILAR LAWS. EACH INVESTOR SHOULD CONSULT WITH HIS, HER OR ITS OWN ADVISERS AS TO THE LEGAL, TAX, BUSINESS, FINANCIAL AND RELATED ASPECTS OF PURCHASE OR SUBSCRIPTION OF THE ORYX C SHARES.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF, OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY, ANY ORYX C SHARES TO ANY PERSON IN ANY JURISDICTION TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION AND IS NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR ANY RESTRICTED JURISDICTION, EXCEPT AS DETERMINED BY ORYX IN ITS SOLE DISCRETION AND PURSUANT TO APPLICABLE LAWS.

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SUMMARY

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this prospectus. Any decision by a prospective investor to invest in Oryx C Shares should be based on consideration of the prospectus as a whole and not solely on this summarised information.

Where a claim relating to the information contained in this prospectus is brought before a court, a plaintiff investor may, under the national legislation of the EEA State, have to bear the costs of translating this prospectus before the legal proceedings are initiated. Civil liability attaches to the Company and its Directors, who are responsible for this summary, including any translation, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this prospectus.

1. Introduction

On 27 June 2006, the Board of Oryx announced the terms of an offer to be made by Arbuthnot Securities on behalf of Oryx, for the entire issued and to be issued share capital of Baltimore.

2. Summary of the terms of the Offer

Under the terms of the Offer, Baltimore Shareholders will receive

for each Baltimore Share	**such number of Oryx C Shares as shall have a value, at an issue price of 100 pence per Oryx C Share, equal to 100 per cent. of the FAV per Baltimore Share;**

The number of Oryx C Shares to which accepting Baltimore Shareholders will become entitled under the Offer will not be capable of being determined until the Offer becomes or is declared unconditional as to acceptances, when the Formula Asset Value will be calculated.

On the basis of the Offer Illustration, full acceptance of the Offer (assuming exercise of all options granted under the Baltimore Share Schemes, and that new Baltimore Shares are issued on exercise of those options in all cases, except for the options granted under the Baltimore plc 2002 Share Award Plan and the Baltimore plc 2005 Share Option Scheme where the options have been granted by the trustees of the Baltimore Employee Benefit Trust), would result in the issue of approximately 33,323,957 Oryx C Shares of which Oryx would be interested in 4,297,552 Oryx C Shares.

3. Oryx's interest in Baltimore Shares

Oryx currently owns a total of 702,643 Baltimore Shares, representing approximately 0.5 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

Oryx has also received irrevocable undertakings to accept (or use all reasonable endeavours to procure the acceptance of) the Offer from certain institutional and other Baltimore Shareholders in respect of, in aggregate, 39,046,614 Baltimore Shares representing approximately 27.2 per cent. of Baltimore's Rule 2.10 Issued Share Capital. These irrevocable undertakings are binding even in the event of a higher competing offer but will cease to be binding if the Offer lapses or is withdrawn.

In addition to the irrevocable undertakings, Oryx has also received non-binding letters of intent to accept the Offer from certain institutional Baltimore Shareholders in respect of, in aggregate, a further 35,163,262 Baltimore Shares representing approximately 24.5 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

In aggregate, therefore, Oryx owns and has received irrevocable undertakings and non-binding letters of intent to accept the Offer in respect of 74,912,519 Baltimore Shares, representing approximately 52.2 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

4. Background to and reasons for the Offer

Oryx has a strong track record over a long period of increasing NAV per Oryx Share, principally as a result of the activist approach taken to many of the investments under management. The Board of Oryx has also been mindful of Oryx's share price relative to its NAV per Oryx Share and has implemented an active policy of buying back shares when, in the opinion of the Board of Oryx, it has been beneficial to do so. As a result, Oryx's Closing Price of 285 pence on 3 July 2006 (being the latest practicable date prior to the publication of this document) compares to the most recently announced unaudited Net Asset Value per Oryx Share of 290 pence as at 31 May 2006[1].

In the light of this performance, the Board of Oryx has been seeking opportunities where these strengths can be used to enhance shareholder value further through the expansion of the Company. In the light of Baltimore's poor share price performance following its admission to AIM and what the Directors of Oryx perceive to be the lack of a track record in activist investing on the part of Baltimore's current management team, Oryx identified Baltimore as a possible merger opportunity. The Board of Oryx developed proposals for a merger of the two companies such that Baltimore Shareholders would benefit from the experience of Oryx's activist approach and both Oryx and Baltimore Shareholders would benefit from being part of a much larger investment company with an expected lower overall percentage of costs relative to funds under management.

Oryx then approached a number of Baltimore's principal shareholders to assess their support for Oryx's proposals. The positive response to these approaches encouraged the Board of Oryx to announce the Offer and resulted in irrevocable undertakings and non-binding letters of intent being received, as referred to in paragraph 3 of this summary.

5. Information on Baltimore

Baltimore was incorporated on 6 September 1991 under the name Zedserve Limited. Historically, Baltimore's principal operations were concentrated in the software development and IT sectors. On 27 July 1998, Baltimore's Shares were admitted to the Official List of the London Stock Exchange. Following a controlled disposal programme, Baltimore disposed of all of its trading activities by the end of 2003 and on 14 February 2005 cancelled its listing and ADS programme.

On 27 February 2006, Baltimore completed the acquisitions of Acquisitor Holdings Limited (Net Assets £16.1 million) and New York Holdings Limited (Net Assets US$2.2 million) and was admitted to AIM as an investment company. Baltimore announced on 24 March 2006, that on completion of the acquisitions and admission to AIM, Baltimore had unaudited net assets of £29 million which, based on 156,202,888 Baltimore Shares in issue (excluding 21,595,200 Baltimore Shares which Baltimore is interested in, either held by a subsidiary of Baltimore or through a contract for difference) equated to an unaudited NAV per Baltimore Share of 21 pence[2].

Following the acquisitions and the admission to AIM, Baltimore's stated principal strategy is to engage in investment activity and to expand operations within the financial services sector. Baltimore has stated that transactions will relate primarily to UK, Europe and US publicly quoted companies which are established companies rather than early stage or start-up situations, with the objective to achieve capital growth by acquiring holdings in private or publicly quoted companies which the directors of Baltimore deem to be undervalued.

However, since completion of the acquisitions and Baltimore's admission to AIM, it has traded at a discount to its NAV per Baltimore Share, with the Closing Price of 15.0 pence per Baltimore Share as at 26 June 2006 (being the latest practicable date prior to the announcement of the Offer) representing a discount of approximately 28.6 per cent. to its most recently announced unaudited NAV per Baltimore Share of 21 pence[2] as at admission.

1. Source: Oryx's unaudited monthly NAV per Oryx Share announcement.
2. Source: Baltimore's preliminary results announcement for the year ended 31 December 2005, announced on 24 March 2006.

The Baltimore Group's four principal investments as at 27 February 2006 were[1]:

	Market value £'000	*Holding %*	*Activity*
CSS Stellar	3,237	29.0%	Sports and entertainment management
Nettec	3,580	28.0%	Cash shell
Tinopolis	771	2.1%	TV production
Bavaria Industries	2,878	6.5%	Turnaround group

Baltimore announced on 24 March 2006 that as at 27 February 2006, following its admission to AIM and the completion of its acquisitions of Aquisitor and NYH, it had unaudited gross assets of £31 million (which included £14 million of investments and £15 million of cash) and unaudited net assets of £29 million[1]. Baltimore also announced on 24 March 2006 that it had sold its entire holding in Articon Integralis for £2.5 million on 21 March 2006, which was in line with its market value at 27 February 2006[1].

6. Information on Oryx

Oryx was established in December 1994 as a closed-ended investment company incorporated in Guernsey as a company limited by shares. The Existing Oryx Shares are currently admitted to the Official List and to trading on the main market for listed securities, the London Stock Exchange.

The investment objective of Oryx is to seek to generate consistently high absolute returns while seeking to maintain a low level of risk for Oryx Shareholders. The investment objective is pursued principally through investment in small and mid-size quoted and unquoted companies in the United Kingdom and United States where the target companies have fundamentally strong business models but where there may be specific factors which are constraining the maximisation or realisation of shareholder value, which may be realised through the pursuit of an activist shareholder agenda by the Investment Manager.

Between its admission to the Official List on 1 March 1995 and 31 May 2006, Oryx has achieved a strong investment performance, having significantly grown its unaudited Fully Diluted NAV per Oryx Share by 202.1 per cent.[2], which compares to a total return for the FTSE All Share index of 178.5 per cent.[3] over the same period.

7. Further Details of the Acquisition

The Acquisition is conditional, amongst other things, upon:

(a) valid acceptances being received in respect of such number of Baltimore Shares which, together with Baltimore Shares acquired or agreed to be acquired by Oryx before or during the Offer Period, will result in Oryx holding Baltimore Shares which carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Baltimore;

(b) the passing at the Oryx EGM of all necessary resolutions to implement and effect the Acquisition, namely to:

   i. approve the Offer;

   ii. increase the authorised share capital of Oryx by creating the Oryx C Shares; and

   iii. adopt the New Articles

(c) the admission of the Oryx C Shares to (i) listing on the Official List and (ii) trading on the London Stock Exchange's market for listed securities becoming effective.

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1. Source: Baltimore's preliminary results announcement for the year ended 31 December 2005, announced on 24 March 2006.
2. Source: Based on Oryx's unaudited Fully Diluted NAV per Oryx Share of 96 pence as at admission as per Oryx's report and accounts for the period ended 31 March 1996 and Oryx's unaudited NAV per Oryx Share of 290 pence as at 31 May 2006 as per Oryx's unaudited monthly NAV per Oryx Share announcement.
3. Source: Thomson Financial Datastream.

8. Oryx Extraordinary General Meeting

The Oryx Shareholder Circular, including a notice convening the Oryx EGM, has been published and is being sent to Existing Oryx Shareholders, together with a copy of this document. The Oryx EGM is scheduled for 10.00 a.m. on 24 July 2006 when the approval of Existing Oryx Shareholders will be sought in relation to the Resolutions.

9. The Oryx C Shares

The consideration payable under the Offer to Baltimore Shareholders will be in the form of a new class of shares, Oryx C Shares, at an issue price of 100 pence per share. An issue of Oryx C Shares is designed to ensure that the assets currently under the management of Baltimore will be accounted for and managed as a distinct pool of assets until the Conversion Date. The investment objective relating to this C pool will be to manage the assets in that pool so as to achieve value and liquidity in an orderly manner and invest in a portfolio consistent with the existing investment objective and policy of Oryx. By accounting for the pool of assets attributable to the Oryx C Shares separately, Existing Oryx Shareholders will not participate in a portfolio containing a substantial amount of uninvested cash before the Conversion Date. All costs and expenses incurred by Oryx in connection with the Acquisition will also be charged to the C pool provided that the Offer becomes or is declared unconditional in all respects.

The Calculation Time (at which point the Conversion Ratio (as defined in Part III of this document) will be calculated) will fall within 10 business days of at least 80 per cent. (or such greater amount as the Directors and the Investment Manager may agree) of the C pool assets being invested in accordance with Oryx's investment objective and policy or, if earlier, on 31 December 2007. The basis upon which the Oryx C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of Oryx C Shares will become entitled will reflect the relative Net Asset Value attributable to the Oryx C Shares as compared to the Net Asset Value attributable to the Ordinary Shares in issue at that time. As a result, the Net Asset Value attributable to the Ordinary Shares then in issue is not expected to be adversely affected by Conversion and no dilution to Existing Oryx Shareholders is expected to result.

Prior to Conversion, the Oryx C Shares will carry the right to any dividends declared only in respect of the assets attributable to the Oryx C Shares. For the purposes of attending and voting at general meetings of the Company, the Oryx C Shares and the Ordinary Shares will be treated as if they are a single class. Oryx C Shareholders will be entitled to participate in a winding-up of the Company or upon a return of capital only in respect of the assets attributable to the Oryx C Shares.

The new Ordinary Shares arising on Conversion will rank *pari passu* with the Ordinary Shares then in issue.

10. Risk Factors

An investment in the Shares is subject to a number of risks which could materially and adversely affect the Company's business, financial condition or results of operations, certain of which are highlighted below:

- Investors should be aware that the market value of Oryx C Shares and (on conversion of the Oryx C Shares) the market value of the Oryx Shares and the income derived from them may go down as well as up.
- Prior to conversion of the Oryx C Shares, the performance of the Net Asset Value of the Oryx C Shares and of the Oryx Shares may diverge, as the underlying portfolios of the two separate pools will not be identical.
- There can be no guarantee that the Company's investment objective will be achieved.
- There is no guarantee that the market price of the Shares will fully reflect the underlying Net Asset Value per Share.

- The past performance of the Company or other portfolios managed by the Investment Manager and by associates of the Investment Manager are not guides to the future performance of the Company.

- Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders, or alter the post-tax returns to shareholders

- Changes in economic conditions could substantially and adversely affect the value of the securities in which the Company will invest and therefore the Company's prospects.

- Debt instruments held by the Company will be affected by general changes in interest rates that will in turn result in increases and decreases in the market value of those instruments.

- The Company's share capital is denominated in sterling while some investments are likely to be made and realised in other currencies.

- Investors should not expect that they will necessarily be able to realise their Shares in a timely manner, nor at a value that reflects the value of the underlying investments held by the Company.

- The Company may, from time to time, employ borrowings with the aim of enhancing returns to Shareholders.

- Owing to the Company's investment policy, the Company may hold both illiquid securities and concentrated positions. Such investments, by their nature, may be less readily realisable in the shorter-term when compared to more liquid securities.

- The Company intends to acquire holdings in small companies. Such companies do not generally have the financial strength, diversity and resources of larger companies and they may find it more difficult to overcome periods of economic slowdown or recession.

RISK FACTORS

Baltimore Shareholders and others should carefully review and evaluate the risks and the other information contained in this document before making a decision to accept the Offer or to invest in Oryx C Shares. If in any doubt, shareholders should immediately seek their own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 andlor other advisers such as legal and tax advisers and accountants (as appropriate).

The risks set out below are the risks which are considered by the Company to be material but are not the only risks relating to the Company or the Oryx C Shares. There may be additional material risks that the Company does not currently consider to be material or of which the Company is not aware.

General

Prospective investors should be aware that the market value of Oryx C Shares (and on Conversion, the market value of the resulting Oryx Shares) and the income derived from them may go down as well as up.

During the period prior to conversion of the Oryx C Shares, the performance of the Net Asset Value of the Oryx C Shares and of the Oryx Shares may diverge, as the underlying portfolios of the two separate pools will not be identical.

There can be no guarantee that the Company's investment objective will be achieved. The investment policy of the Company may differ from the investment policy of Baltimore. Bringing Baltimore's investments within the investment policy of the Company may involve realising investments at less than their stated bid prices and/or the underlying net asset value of those investments.

There is no guarantee that the market price of the Oryx C Shares and/or the Oryx Shares will fully reflect the underlying Net Asset Value per Share.

The past performance of the Company or other portfolios managed by the Investment Manager and by associates of the Investment Manager are not guides to the future performance of the Company.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders, or alter the post-tax returns to shareholders. Representations in this document concerning the taxation of shareholders are based upon current tax law and what is understood to be current practice, both of which are subject to change.

Economic conditions

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors could substantially and adversely affect the value of the securities in which the Company will invest and therefore the Company's prospects.

Debt securities generally

Debt instruments held by the Company will be affected by general changes in interest rates that will in turn result in increases and decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise, and when interest rates rise, the value of those investments can decline. There can be no assurance as to the levels of default and/or recovery that may be experienced with regard to the Company's debt security investments.

Sub-investment grade securities

To the extent that the Company invests in below investment grade debt and other securities, the Company may realise a higher current yield than the yield offered by investment grade securities, but investment in such securities involves a greater volatility of price and a greater probability of default by the issuers of such securities with consequent loss of interest payment and principal. Sub-investment grade securities will have, in the judgment of a rating agency, uncertainties or risk exposures to adverse conditions, and are speculative with respect to an issuer's capacity to meet interest payments and repay principal in accordance with the terms of the obligation.

Adverse changes in the financial position of an issuer of high yielding securities or general economic conditions may impair the ability of the issuer to meet interest payments and repayments of principal. There can be no assurance as to the levels of default and/or recovery that may be experienced with respect to the Company's debt security investments.

In addition, market prices of higher-yielding securities generally fluctuate more than market prices of higher-rated, fixed income securities. There is often limited market liquidity in higher-yielding securities, which means that it may not be possible to realise such investments quickly and there is no guarantee that such investments can be realised at their stated bid prices.

Foreign investment and exchange risks

The Company's share capital is denominated in sterling while some investments are likely to be made and realised in other currencies. The Net Asset Value of Oryx is reported in sterling, dividends (if any) are declared in sterling and payment of dividends if any are made in sterling. In any instances where the Company does not hedge its currency exposure, the movement of exchange rates between sterling and any other currencies in which the Company's investments are denominated may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the investments made by the Company. Although the Investment Manager will seek to manage any foreign exchange exposure in relation to the Company, there is no assurance that this can be performed effectively. The costs, expenses and profits of any currency hedging may force the Investment Manager to realise underlying investments as well as effecting the overall value of the portfolio and the Net Asset Value per share.

Movements in the foreign exchange rate between sterling and the currency applicable to a particular shareholder may have an impact upon such shareholder's returns in their own currency of account.

Suspension of trading

Securities and commodity exchanges typically have the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Company to liquidate positions and thereby expose the Company to losses.

Realisation of investment

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their Oryx C Shares or Oryx Shares, nor should they expect that they will be able to realise their Oryx C Shares or Oryx Shares on a basis which necessarily reflects the value of the underlying investments held by the Company.

Calculation of Net Asset Value

In calculating the Company's Net Asset Value the Administrator and Secretary may rely on estimates of the value of companies in which the Company invests. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with International Financial Reporting Standards or other valuation principles.

Potential conflicts of interest

The Investment Manager and its respective affiliates serve as investment manager or investment adviser to other clients, including Oryx and may be involved in other financial, investment or professional activities. In particular, they may provide investment management, investment advice or other services in relation to funds which may have similar investment policies to that of the Company. As a result, they may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they may have a greater financial interest.

The Investment Manager will have regard to its obligations under its investment management agreement with the Company or otherwise to act in a manner that it considers fair, reasonable and equitable having regard to its obligations to other clients, when potential conflicts of interest arise.

The Investment Manager has in place policies for management of investment allocations and conflicts of interest in compliance with the FSA's Conduct of Business Rules.

Fund managers

There can be no guarantee that individual fund managers will remain with the Investment Manager. The departure of an individual fund manager may have an adverse effect on the performance of the Company.

Gearing

The Company may, from time to time, employ borrowings with the aim of enhancing returns to Shareholders. Whilst the use of borrowings should enhance the total return on the Oryx Shares and/or Oryx C Shares where the return on, and value of, the Company's underlying asset is rising, it will have the opposite effect where the underlying return and/or value is falling. Furthermore, should any fall in the underlying asset value result in the Company breaching borrowing covenants, the Company may be required to sell assets at depressed prices and repay borrowings in whole or in part together with any payment of early termination penalties due.

Although the Company has no structural gearing and it is not intended that it will do so, the use of permitted temporary or short term gearing would lead to greater volatility in the Net Asset Value of the Oryx C Shares and/or the Oryx Shares in that a relatively small movement in the underlying assets will result in a magnified movement, in the same direction in the Net Asset Value of the Oryx C Shares and Oryx Shares. This gearing would be increased by investments in geared shares of other investment entities.

Shareholders should also be aware that fluctuations in interest rates may result in increased financial costs for both the Company and any underlying investee companies.

Liquidity risk

Owing to the Company's investment policy, the Company may hold both illiquid securities (for example, securities where trading volumes are relatively low) and concentrated positions (for example, where a high proportion of the Company's total assets is comprised of a relatively small number of investments). Such investments, by their nature, may be less readily realisable in the shorter-term when compared to more liquid securities.

Investee company risks

The Company intends to acquire holdings in small companies. Such companies do not generally have the financial strength, diversity and resources of larger companies and they may find it more difficult to overcome periods of economic slowdown or recession.

The Company intends to acquire minority interests in investee companies and accordingly will not be able to influence significantly the decision making of such investee companies.

From time to time the Company may issue shares in connection with offers for shares in target companies. Such issues would exclude investors in the Company and would have the effect of diluting their shareholding.

Portfolio

The fact that a share is traded does not guarantee its liquidity. The spread between the buying and selling price of shares may be wide and thus the price used for valuation may not be achievable. Although the Investment Manager has been successful in identifying suitable investments in the past, it may not be able to do so in the future, and the Company may not be able to find a sufficient number of attractive opportunities to meet its investment objective or to generate returns for Shareholders. A proportion of the Company's investments may be in companies whose securities are not publicly traded or freely marketable and may, therefore be difficult to realise.

Regulatory change

Future regulatory change in applicable jurisdictions could limit the ability of the Company to carry out its business as described in this document and/or could have a material adverse effect on the returns of the Company.

Accounting practice

Any change in accounting practice could affect the value of the investments held by the Company, affect the ability of the Company to provide returns to Shareholders or alter the post-tax returns to Shareholders.

Share price volatility and liquidity

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

Additional risks

Dividend growth on Oryx C Shares and Oryx Shares will depend principally on dividend growth in the underlying portfolio. Dividend cuts by companies or reduced yields on debt investments within the portfolio could result in the Oryx C Shares and/or the Oryx Shares yielding less in future years. Any change in the asset allocation in the Company's portfolio or the tax treatment of dividends or interest received by the Company may reduce the level of income received by Shareholders.

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect of any of the Company's investments, the effect will generally reduce the income received by the Company on its investments.

The analytical models used by the Investment Manager to evaluate securities or securities markets are based on its understanding of the interplay of market factors and do not ensure successful investment. The markets, or the prices of individual securities, may be affected by factors not foreseen in developing the models.

The market value of the Oryx C Shares and/or the Oryx Shares, as well as being affected by their Net Asset Value, also take into account their dividend yield and prevailing interest rates. As such, the market value of a Oryx C Share or a Oryx Share may vary considerably from its underlying Net Asset Value.

If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, this could have a negative effect on the Company's ability to pay dividends.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS*

Announcement of the Offer	27 June 2006
Extraordinary General Meeting	10.00 a.m. on 24 July 2006
First Closing Date of the Offer	1.00 p.m. on 26 July 2006

* *All references to times are to UK time unless otherwise stated.*

ACQUISITION STATISTICS

Issue Price per Oryx C Shares	100 pence
Maximum number of Oryx C Shares to be issued pursuant to the Offer, based on the Offer Illustration	33,323,957

FORWARD-LOOKING STATEMENTS

This document contains a number of forward-looking statements relating to Oryx and Baltimore with respect to, among others, the following: financial conditions; results of operation; the businesses of Oryx and Baltimore; future benefits of the transaction; and management plans and objectives. Oryx considers any statements that are not historical facts as 'forward-looking statements'. They involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Important factors that could cause actual results to differ materially from estimates or forecasts contained in the forward-looking statements include, among others, the following possibilities: future revenues are lower than expected; costs or difficulties relating to the combination of the businesses of Oryx and Baltimore, or of other future acquisitions, are greater than expected; expected cost savings from the transaction or from other future acquisitions are not fully realised or not realised within the expected time frame; competitive pressures in the industry increase; general economic conditions or conditions affecting the relevant industries, whether internationally or in the places Oryx and Baltimore do business are less favourable than expected, and/or conditions in the securities market are less favourable than expected. Except as required by the FSA, the London Stock Exchange or applicable law, Oryx expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Oryx's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

PRESENTATION OF INFORMATION ON BALTIMORE

This document contains certain information relating to Baltimore and the Baltimore Group, including the information contained in the Parts headed "Risk Factors", "Financial Information on the Baltimore Group", "Information on the Expected Impact of the Offer on the Assets and Liabilities of Oryx" and "Additional Information".

This information has been compiled from information published by Baltimore. The Oryx Directors confirm that such information has been accurately reproduced from such sources and, so far as Oryx is aware and is able to ascertain from information published by Baltimore, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Nigel Cayzer	*(Chairman)*
	Christopher Mills	*(Non-Executive Director)*
	Rupert Evans	*(Non-Executive Director)*
	Sidney Cabessa	*(Non-Executive Director)*
	Colin Hannaway	*(Non-Executive Director)*
	Walid Chatila	*(Non-Executive Director)*
Registered Office	Arnold House St. Julian's Avenue St. Peter Port Guernsey Channel Islands GY1 3NF	
Investment Manager	North Atlantic Value LLP Ryder Court 14 Ryder Street London SW1Y 6QB	
Custodian	HSBC Custody Services (Guernsey) Limited P.O. Box 208 Arnold House St. Julian's Avenue St. Peter Port Guernsey Channel Islands GY1 3NF	
Secretary and Administrator to Oryx	HSBC Securities Services (Guernsey) Limited P.O. Box 208 Arnold House St. Julian's Avenue St. Peter Port Guernsey Channel Islands GY1 3NF	
Financial Adviser, Sponsor and Broker	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR	
Legal Adviser to the Company *as to English law*	Bircham Dyson Bell 50 Broadway London SW1H 0BL	
Legal Adviser to the Company *as to Guernsey law*	Ozannes 1, Le Marchant Street St. Peter Port Guernsey Channel Islands GY1 4LD	
Reporting Accountants	RSM Robson Rhodes LLP 30 Finsbury Square London EC2P 2YU	

Auditors	RSM Robson Rhodes PO Box 313 Anson Court La Route des Camps St. Martin Guernsey Channel Islands GY1 3TF
Registrar	Capita IRG (CI) Limited 2nd Floor 1 Le Truchot St. Peter Port Guernsey Channel Islands GY1 4AE
Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

INFORMATION ON THE ACQUISITION

1. Introduction

On 27 June 2006, the Board of Oryx announced the terms of an offer to be made by Arbuthnot Securities on behalf of Oryx, for the entire issued and to be issued share capital of Baltimore.

The Offer, which is being made today provides Baltimore Shareholders with the opportunity to become shareholders in Oryx, which is managed by North Atlantic Value LLP and which has a strong track record of increasing NAV per share over many years, having achieved a 202.1 per cent.[1] increase in the unaudited Fully Diluted NAV per Oryx Share between Oryx's admission to the Official List on 1 March 1995 and 31 May 2006.

The Acquisition is a Class 1 transaction for Oryx under the Listing Rules and is therefore conditional, *inter alia*, on the approval by Existing Oryx Shareholders of the Resolutions at the Extraordinary General Meeting.

2. Terms of the Offer

On behalf of Oryx, Arbuthnot Securities is offering to acquire, on the terms and subject to the conditions referred to below, the entire issued and to be issued share capital of Baltimore on the following basis:

for each Baltimore Share	**such number of Oryx C Shares as shall have a value, at an issue price of 100 pence per Oryx C Share, equal to 100 per cent. of the FAV per Baltimore Share;**

The number of Oryx C Shares to which accepting Baltimore Shareholders will become entitled under the Offer will not be capable of being determined until the Offer becomes or is declared unconditional as to acceptances, when the Formula Asset Value will be calculated.

Fractional entitlements to Oryx C Shares arising after calculation of each accepting Baltimore Shareholder's entitlement under the terms of the Offer will be disregarded and will not be issued.

In accordance with Rule 24.10 of the City Code, Arbuthnot Securities has advised that, based on market conditions on 3 July 2006 (being the latest practicable date prior to publication of this document) and an estimate of the range of discount to the Net Asset Value per share at which Oryx C Shares may trade, of between 1.7 per cent. (being the discount of an Existing Oryx Share to the unaudited NAV per Oryx Share as at 3 July 2006, being the latest practicable date prior to the publication of this document) and 10 per cent., its estimate of the value of the Oryx C Shares, if they were in issue at that date, would have been in the range of approximately 90.0 to 98.3 pence per share.

For illustrative purposes only, had the Unconditional Date been 3 July 2006 (being the latest practicable date prior to publication of this document) Oryx estimates that:

- the FAV per Baltimore Share would have been 19.9 pence (such Formula Asset Value having been calculated by reference to the latest publicly announced unaudited Net Asset Value per Baltimore Share as at 27 February 2006, which was delivered to a Regulatory Information Service by Baltimore on 24 March 2006);
- an accepting Baltimore Shareholder would have been entitled to 1,000 Oryx C Shares for every 5,025 Baltimore Shares held; and

1. Source: Based on Oryx's unaudited Fully Diluted NAV per Oryx Share of 96 pence as at admission as per Oryx's report and accounts for the period ended 31 March 1996 and Oryx's unaudited NAV per Oryx Share of 290 pence as at 31 May 2006 as per Oryx's unaudited monthly NAV per Oryx Share announcement.

- the Offer would have valued each Baltimore Share at between 17.9 and 19.6 pence, representing a premium of between approximately 19.3 and 30.7 per cent. to the Closing Price of 15.0 pence per Baltimore Share on 27 June 2006 (being the latest practicable date prior to the announcement of the Offer) and all of the Baltimore Shares (assuming full exercise of options granted under the Baltimore Share Schemes, and that new Baltimore Shares are issued on the exercise of those options in all cases, except for the options granted under the Baltimore plc 2002 Share Award Plan and the Baltimore plc 2005 Share option Scheme where the options have been granted by the trustees of the Baltimore Employee Benefit Trust) but excluding those Baltimore Shares in which any member of the Baltimore Group is interested at between approximately £26.1 and £28.6 million.

On the basis of the Offer Illustration, full acceptance of the Offer (assuming exercise of all options granted under the Baltimore Share Schemes, and that new Baltimore Shares are issued on exercise of those options in all cases, except for the options granted under the Baltimore plc 2002 Share Award Plan and the Baltimore plc 2005 Share option Scheme where the options have been granted by the trustees of the Baltimore Employee Benefit Trust), would result in the issue of approximately 33,323,957 Oryx C Shares of which Oryx would be interested in 4,297,552 Oryx C Shares as referred to in paragraph 9 of this Part I.

The Baltimore Shares will be acquired by Oryx, pursuant to the Offer, fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after 27 June 2006 (being the date on which the Offer was announced).

In view of the size of the Acquisition it will be necessary for Existing Oryx Shareholders to approve the Offer. It will also be necessary for Existing Oryx Shareholders to approve an increase in the authorised share capital of Oryx as well as the creation of the Oryx C Shares in connection with the Offer. Accordingly, the Offer is conditional upon, *inter alia*, approval of the Resolutions by Existing Oryx Shareholders at the Oryx EGM. The Offer is also conditional upon, amongst other things:

- valid acceptances being received in respect of the Offer (and not, where permitted, withdrawn), which together with Baltimore Shares acquired or agreed to be acquired before or during the Offer Period, will result in Oryx holding Baltimore Shares carrying more than 50 per cent. of the voting rights normally exercisable at general meetings of Baltimore; and
- the admission of the Oryx C Shares to listing on the Official List of the UK Listing Authority becoming effective in accordance with the Listing Rules of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Admission and Disclosure Standards made by the London Stock Exchange.

Further details of the conditions to which the Offer will be subject are set out in paragraph 7 of this Part I.

3. Oryx's interest in Baltimore Shares

Oryx currently owns a total of 702,643 Baltimore Shares, representing approximately 0.5 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

Oryx has also received irrevocable undertakings to accept (or use all reasonable endeavours to procure the acceptance of) the Offer from certain institutional and other Baltimore Shareholders in respect of, in aggregate, 39,046,614 Baltimore Shares representing approximately 27.2 per cent. of Baltimore's Rule 2.10 Issued Share Capital. These irrevocable undertakings are binding even in the event of a higher competing offer but will cease to be binding if the Offer lapses or is withdrawn.

In addition to the irrevocable undertakings, Oryx has also received non-binding letters of intent to accept the Offer from certain institutional Baltimore Shareholders in respect of, in aggregate, a further 35,163,262 Baltimore Shares representing approximately 24.5 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

In aggregate, therefore, Oryx owns and has received irrevocable undertakings and non-binding letters of intent to accept the Offer in respect of 74,912,519 Baltimore Shares, representing approximately 52.2 per cent. of Baltimore's Rule 2.10 Issued Share Capital.

4. Background to and reasons for the Offer

Oryx has a strong track record over a long period of increasing NAV per Oryx Share, principally as a result of the activist approach taken to many of the investments under management. The Board of Oryx has also been mindful of Oryx's share price relative to its NAV per Oryx Share and has implemented an active policy of buying back shares when, in the opinion of the Board of Oryx, it has been beneficial to do so. As a result, Oryx's Closing Price of 285 pence on 3 July 2006 (being the latest practicable date prior to the publication of this document) compares to the most recently announced unaudited Net Asset Value per Oryx Share of 290 pence as at 31 May 2006[1].

In the light of this performance, the Board of Oryx has been seeking opportunities where these strengths can be used to enhance shareholder value further through the expansion of the Company. In the light of Baltimore's poor share price performance following its admission to AIM and what the Directors of Oryx perceive to be the lack of a track record in activist investing on the part of Baltimore's current management team, Oryx identified Baltimore as a possible merger opportunity. The Board of Oryx developed proposals for a merger of the two companies such that Baltimore Shareholders would benefit from the experience of Oryx's activist approach and both Oryx and Baltimore Shareholders would benefit from being part of a much larger investment company with an expected lower overall percentage of costs relative to funds under management.

Oryx then approached a number of Baltimore's principal shareholders to assess their support for Oryx's proposals. The positive response to these approaches encouraged the Board of Oryx to announce the Offer and resulted in irrevocable undertakings and non-binding letters of intent being received, as referred to above in paragraph 3 of this Part I.

5. Information on Baltimore

Baltimore was incorporated on 6 September 1991 under the name Zedserve Limited. Historically, Baltimore's principal operations were concentrated in the software development and IT sectors. On 27 July 1998, Baltimore's Shares were admitted to the Official List of the London Stock Exchange. Following a controlled disposal programme, Baltimore disposed of all of its trading activities by the end of 2003 and on 14 February 2005 cancelled its listing and ADS programme.

On 27 February 2006, Baltimore completed the acquisitions of Acquisitor Holdings Limited (Net Assets £16.1 million) and New York Holdings Limited (Net Assets US$2.2 million) and was admitted to AIM as an investment company. Baltimore announced on 24 March 2006, that on completion of the acquisitions and admission to AIM, Baltimore unaudited had net assets of £29 million which, based on 156,202,888 Baltimore Shares in issue (excluding 21,595,200 Baltimore Shares which Baltimore is interested in, either held by a subsidiary of Baltimore or through a contract for difference) equated to an unaudited NAV per Baltimore Share of 21 pence[2].

Following the acquisitions and the admission to AIM, Baltimore's stated principal strategy is to engage in investment activity and to expand operations within the financial services sector. Baltimore has stated that transactions will relate primarily to UK, Europe and US publicly quoted companies which are established companies rather than early stage or start-up situations, with the objective to achieve capital growth by acquiring holdings in private or publicly quoted companies which the directors of Baltimore deem to be undervalued.

However, since completion of the acquisitions and Baltimore's admission to AIM, it has traded at a discount to its NAV per Baltimore Share, with the Closing Price of 15.0 pence per Baltimore Share as at 26 June 2006 (being the latest practicable date prior to the announcement of the Offer) representing a discount of approximately 28.6 per cent. to its most recently announced unaudited NAV per Baltimore Share of 21 pence[2] as at admission.

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1. Source: Oryx's unaudited monthly NAV per Oryx Share announcement.
2. Source: Baltimore's preliminary results announcement for the year ended 31 December 2005, announced on 24 March 2006.

The Baltimore Group's four principal investments as at 27 February 2006 were[1]:

	Market value £'000	*Holding %*	*Activity*
CSS Stellar	3,237	29.0%	Sports and entertainment management
Nettec	3,580	28.0%	Cash shell
Tinopolis	771	2.1%	TV production
Bavaria Industries	2,878	6.5%	Turnaround group

Baltimore announced on 24 March 2006 that as at 27 February 2006, following its admission to AIM and the completion of its acquisitions of Aquisitor and NYH, it had unaudited gross assets of £31 million (which included £14 million of investments and £15 million of cash) and unaudited net assets of £29 million[1]. Baltimore also announced on 24 March 2006 that it had sold its entire holding in Articon Integralis for £2.5 million on 21 March 2006, which was in line with its market value at 27 February 2006[1].

Based on the information disclosed above, Baltimore's principal four investments represented approximately 75 per cent. of its investments and approximately 36 per cent. of its unaudited net assets on completion of the acquisitions and its admission to AIM.

Following completion of the Acquisition, it is Oryx's intention to liquidate Baltimore's assets in an orderly manner and to invest the assets in a portfolio consistent with the existing investment objective and policy of Oryx as detailed in paragraph 6 of this Part I. As part of this process, Oryx intends to enter into a consultancy agreement with Duncan Soukup, a former director of Baltimore, to assist with the liquidation and realisation of Baltimore's existing investments.

6. Information on Oryx

Oryx was established in December 1994 as a closed-ended investment company incorporated in Guernsey as a company limited by shares. The Existing Oryx Shares are currently admitted to the Official List and to trading on the main market for listed securities of the London Stock Exchange.

The investment objective of Oryx is to seek to generate consistently high absolute returns while seeking to maintain a low level of risk for Oryx Shareholders. The investment objective is pursued principally through investment in small and mid-size quoted and unquoted companies in the United Kingdom and United States where the target companies have fundamentally strong business models but where there may be specific factors which are constraining the maximisation or realisation of shareholder value, which may be realised through the pursuit of an activist shareholder agenda by the Investment Manager.

This activist investment strategy involves close and ongoing contact between the Investment Manager and the boards of investee companies including regular consultation in relation to proposed or desired corporate actions. The Investment Manager may, in the light of its knowledge of a particular industry sector and companies within it, seek to recommend that investee company management consider certain proposals or advise of the existence of possible opportunities to enhance shareholder value. While the Investment Manager seeks to pro-actively contribute to corporate strategy and comment actively on board structure, it is overall a passive investor and does not control or seek to control or to be actively involved in the management of any of its investments.

Oryx's strategy towards an investment may evolve to reflect changing share price dynamics and in light of developments within the particular investee company. In some cases, the activist strategy would not be fully implemented and Oryx will seek an early exit through an orderly disposal of shares and/or block sales.

1. Source: Baltimore's preliminary results announcement for the year ended 31 December 2005, announced on 24 March 2006.

Between its admission to the Official List on 1 March 1995 and 31 May 2006, Oryx has achieved a strong investment performance, having significant grown its unaudited Fully Diluted NAV per Oryx Share by 202.1 per cent.[1], which compares to a total return for the FTSE All Share index of 178.5 per cent.[2] over the same period.

7. Further details of the Acquisition

General

The Oryx C Shares will not be registered under any of the relevant securities laws of the United States or any Restricted Jurisdictions. Accordingly, the Oryx C Shares may not be offered, sold or delivered, directly or indirectly, in the United States or any Restricted Jurisdiction nor to any person from the United States or any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction. Reference should also be made to paragraph 12 of this Part I.

Conditions of the Acquisition

The Acquisition is conditional, amongst other things, upon:

(a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on 26 July 2006 (or such later time(s) and/or date(s) as Oryx may, subject to the rules of the City Code, decide) in respect of such number of Baltimore Shares which, together with Baltimore Shares acquired or agreed to be acquired by Oryx before or during the Offer Period, will result in Oryx holding Baltimore Shares which carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Baltimore, including for this purpose, to the extent (if any) required by the Panel, any such voting rights attaching to any Baltimore Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding conversion or subscription rights or otherwise and for this purpose Baltimore Shares that have been unconditionally allotted shall be deemed to carry the voting rights that they will carry upon issue;

(b) the passing at the Oryx EGM of all necessary resolutions to implement and effect the Acquisition, namely to;

    (i) approve the Offer;

    (ii) increase the authorised share capital of Oryx by creating the Oryx C Shares; and

    (iii) adopt the New Articles.

(c) the admission of the Oryx C Shares to listing on the Official List of the UK Listing Authority becoming effective in accordance with the Listing Rules of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange;

(d) no relevant authority having intervened in a way that would or might reasonably make the Offer or it implementation valid, illegal or unenforceable and all applicable waiting and other time periods during which any relevant authority could intervene having expired, lapsed or terminated;

(e) no member of the Baltimore Group having issued any shares or granted any rights to subscribe for shares or otherwise agreed to alter its share capital, declared any dividends, proposed any merger, winding-up or reorganisation, increased its indebtedness, encumbered any assets, entered into any contract of a long term restrictive or unusual nature, altered any agreement with its directors or amended its constitution;

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1. Source: Based on Oryx's unaudited Fully Diluted NAV per Oryx Share of 96 pence as at admission as per Oryx's report and accounts for the period ended 31 March 1996 and Oryx's unaudited NAV per Oryx Share of 290 pence as at 31 May 2006 as per Oryx's unaudited monthly NAV per Oryx Share announcement.

2. Source: Thomson Financial Datastream.

(f) there having been no litigation or other legal proceedings or any investigation by any relevant authority affecting any member of the Baltimore Group and material adverse change in the business, assets, financial or net asset value position or prospects of any member of the Baltimore Group, except as disclosed in Baltimore's financial statements for the year ended 31 December 2005 or otherwise as publicly announced prior to 26 June 2006; and

(g) Oryx not having discovered that any financial information published by Baltimore contains a misrepresentation or is inaccurate or otherwise misleading.

8. Oryx Extraordinary General Meeting

The Oryx Shareholder Circular, including a notice convening the Oryx EGM, has been published and is being sent to Existing Oryx Shareholders, together with a copy of this document. The Oryx EGM is scheduled for 10.00 a.m. on 24 July 2006 when the approval of Existing Oryx Shareholders will be sought in relation to the Resolutions.

9. The Oryx C Shares

The consideration payable under the Offer to Baltimore Shareholders will be in the form of a new class of shares, Oryx C Shares, at an issue price of 100 pence per share. An issue of Oryx C Shares is designed to ensure that the assets currently under the management of Baltimore will be accounted for and managed as a distinct pool of assets until the Conversion Date. The investment objective relating to this C pool will be to manage the assets in that pool so as to achieve value and liquidity in an orderly manner and invest in a portfolio consistent with the existing investment objective and policy of Oryx. By accounting for the pool of assets attributable to the Oryx C Shares separately, Existing Oryx Shareholders will not participate in a portfolio containing a substantial amount of uninvested cash before the Conversion Date. All costs and expenses incurred by Oryx in connection with the Acquisition will also be charged to the C pool provided that the Offer becomes or is declared unconditional in all respects.

The Calculation Time (at which point the Conversion Ratio (as defined in Part III of this document) will be calculated) will fall within 10 business days of at least 80 per cent. (or such greater amount as the Directors and the Investment Manager may agree) of the C pool assets being invested in accordance with Oryx's investment objective and policy or, if earlier, on 31 December 2007. The basis upon which the Oryx C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of Oryx C Shares will become entitled will reflect the relative Net Asset Value attributable to the Oryx C Shares as compared to the Net Asset Value attributable to the Ordinary Shares in issue at that time. As a result, the Net Asset Value attributable to the Ordinary Shares then in issue is not expected to be adversely affected by Conversion and no dilution to Existing Oryx Shareholders is expected to result.

Full details of the Oryx C Shares and Conversion are set out in Part III of this document.

Prior to Conversion, the Oryx C Shares will carry the right to any dividends declared only in respect of the assets attributable to the Oryx C Shares. For the purposes of attending and voting at general meetings of the Company, the Oryx C Shares and the Ordinary Shares will be treated as if they are a single class. Oryx C Shareholders will be entitled to participate in a winding-up of the Company or upon a return of capital as specified in paragraph 3 of Part III of this document.

The new Ordinary Shares arising on Conversion will rank *pari passu* with the Ordinary Shares then in issue.

Baltimore is currently interested in 21,595,200 Baltimore Shares, either held by a subsidiary of Baltimore or through a contract for difference. Following completion of the Offer and based on the Offer Illustration, Oryx will accordingly be interested in 4,297,552 Oryx C Shares and it is Oryx's intention to buy back these shares for cancellation as soon as reasonably practicable as described in paragraph 14 of Part II of this document.

10. Settlement, listing and dealings of the Oryx C Shares

Application will be made to the UKLA and the London Stock Exchange for the Oryx C Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities.

It is expected that Admission of the Oryx C Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities will become effective, and that dealings for normal settlement in the Oryx C Shares will commence, on the Business Day immediately following the Offer becoming or being declared unconditional in all respects (save for Admission of the Oryx C Shares becoming effective).

Subject to the Offer becoming or being declared unconditional in all respects and save to the extent that the Panel permits any extension of such periods, (except in the case of certain Baltimore Shareholders who are not resident in the UK) settlement of the consideration to which any Baltimore Shareholder is entitled under the Offer will be effected (i) in the case of acceptances received, completed in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date, or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt, in the following manner:

a) *Baltimore Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Baltimore Shares in certificated form, certificates in respect of Oryx C Shares due will be dispatched by first class post (or by such other method as may be approved by the Panel) at the recipient's risk.

b) *Baltimore Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Baltimore Shares in uncertificated form, settlement of the consideration to which the accepting Baltimore Shareholder is entitled will be made by Oryx procuring that their stock account in CREST is credited with Oryx C Shares issued to them.

Oryx reserves the right to settle all or any or part of the consideration referred to above, for all or any accepting Baltimore Shareholder(s), in the manner referred to in paragraph (a) above.

The Existing Oryx Shares are already listed on the Official List, the London Stock Exchanges' main market for listed securities. The Company is making arrangements so that all of the Oryx C Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. Similar arrangements are also being made in respect of the Existing Oryx Shares. It is expected that the Oryx C Shares will trade under the ISIN GB00B17SDZ90.

11. Compulsory acquisition, de-listing and re-registration

If the Offer becomes or is declared unconditional in all respects, it is Oryx's intention, assuming it becomes so entitled, to acquire compulsorily any outstanding Baltimore Shares pursuant to the provisions of sections 428 to 430F (inclusive) of the Act.

As soon as it is appropriate to do so, and subject to the Offer becoming or being declared unconditional in all respects and sufficient acceptances being received, Oryx intends to procure that Baltimore will apply to the London Stock Exchange for the cancellation of the admission of the Baltimore Shares to trading on AIM. It is anticipated that such cancellation will take effect no earlier than 20 Business Days after Oryx has received sufficient acceptances from Baltimore Shareholders to take its shareholding to over 75 per cent. It is also proposed that resolutions will be proposed to re-register Baltimore as a private company.

Cancelling the admission of the Baltimore Shares to trading on AIM is likely to reduce significantly the liquidity and marketability of any Baltimore Shares in respect of which the Offer has not been accepted.

12. Overseas Shareholders

This document and any accompanying documents are not being made available to Overseas Shareholders with registered addresses in the United States or any Restricted Jurisdiction and may not be treated as an invitation to subscribe for any Oryx C Shares by any person resident or located in such jurisdictions or any other Restricted Jurisdiction.

The Oryx C Shares have not been, and will not be, registered under the applicable securities laws of the United States or any Restricted Jurisdiction. Accordingly, the Oryx C Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into the United States or any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of the United States or any Restricted Jurisdiction.

The implications of the Offer for Overseas Shareholders may be affected by the laws of relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Any person outside the UK who is resident in , or who has a registered address in, or is a citizen of, an overseas jurisdiction and who is to receive Oryx C Shares pursuant to the Offer should consult his or her professional advisers and satisfy himself or herself as to the full observance of the laws of the relevant jurisdiction in connection with the offer, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

In any case where the delivery of the Oryx C Shares to an Overseas Shareholder would or may infringe the laws of any jurisdiction outside the United Kingdom, or would or may require Oryx to obtain or observe any governmental or other consent or any registration, filing or other formality (including ongoing requirements) with which Oryx is unable to comply, or which Oryx regards as duly onerous. Oryx may, acting reasonably, determine that no purported acceptance of the Offer shall be valid or accepted in respect of such Overseas Shareholder.

This document has been prepared for the purposes of complying with English and Guernsey law and the Prospectus Rules, and the information disclosed may not be the same as that which could have been disclosed if this document had been prepared in accordance with the laws of other jurisdictions outside the United Kingdom.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Offer in their particular circumstances.

PART II

INFORMATION ON ORYX

1. Introduction

Oryx was established in December 1994 as a closed-ended investment company incorporated in Guernsey as a company limited by shares. Oryx Shares are currently listed on the Official List and to trading on the London Stock Exchange.

The investment policy of Oryx is to develop a long-term portfolio, principally of equity and equity related investments in small and mid-size quoted and unquoted companies in the United Kingdom and United States.

2. Investment objective and policy

The investment objective of Oryx is to seek to generate consistently high absolute returns while seeking to maintain a low level of risk for Oryx Shareholders who consist of mainly institutional and sophisticated investors.

The investment objective is pursued principally through investment in small and mid-size quoted and unquoted companies in the United Kingdom and United States where the target companies have fundamentally strong business models but where there may be specific factors which are constraining the maximisation or realisation of shareholder value, which may be realised through the pursuit of an activist shareholder agenda by the Investment Manager. Dividend income is a secondary consideration when making investment decisions.

Any material change in the principal investment objective and policies of Oryx may only be made with Oryx Shareholder approval.

3. Investment Process

The investment approach of Oryx's Investment Manager is characterised by a rigorous focus on research and financial analysis of potential investee companies so that a thorough understanding of their business models is gained prior to investment. Comprehensive due diligence, including one or more meetings with management as well as site visits, are standard procedure before shares are acquired.

(a) *Pre Investment*

Prior to investment, the Investment Manager undertakes extensive due diligence to identify opportunities for re-structuring and improvement of the financial and operating performance of the target company. This would include one-on-one meetings with senior management as well as first hand inspection of the key operating businesses. This due diligence exercise would investigate and pursue opportunities for reductions in the fixed cost base, enhanced asset utilisation, improved productivity, re-financing to reduce the cost of capital and the execution of disposals to be identified. There would also be a review of the shareholder base, corporate governance track record, shareholdings within the company and trading characteristics of the company's shares before investment. For investments which would require a particularly complex reorganisation or re-structuring, the Investment Manager would draft an investment strategy paper for discussion with major shareholders or potential investors prior to investment. The Investment Manager seeks to ensure that the existing board of the target company is in a position to pursue the corporate actions required. Alternatively, the Investment Manager endeavours to change the composition of the board through the appointment of suitably experienced non-executive directors.

(b) *Stake building*

The Investment Manager employs a disciplined approach to acquiring an equity position on behalf of Oryx, with shares being acquired subject to a specific price level and prevailing market conditions. On occasion, Oryx is able to acquire a single controlling interest either directly in the market or in a secondary market placing by the vendor's broker. As required, the Investment Manager negotiates directly with such parties to achieve the lowest possible investment price. Where a stake is to be acquired as part of a programme of acquisitions by Oryx and others acting in concert (as defined in the City Code), the Investment Manager seeks to ensure that all required regulatory and other disclosures are made.

(c) Post Investment

Following the establishment of an equity position in the target company, the Investment Manager, where appropriate will pursue an activist investment strategy. This involves close and ongoing contact between the Investment Manager and the boards of investee companies including regular consultation in relation to proposed or desired corporate actions. The Investment Manager may, in the light of its knowledge of a particular industry sector and companies within it, seek to recommend that investee company management consider certain proposals or advise of the existence of possible opportunities to enhance shareholder value. While the Investment Manager seeks to pro-actively contribute to corporate strategy and comment actively on board structure, it is overall a passive investor and does not control or seek to control or to be actively involved in the management of any of its investments.

Oryx's strategy towards an investment may evolve to reflect changing share price dynamics and in light of developments within the particular investee company. In some cases, the activist strategy would not be fully implemented and Oryx will seek an early exit through an orderly disposal of shares and/or block sales.

(d) Investment Realisation

Strategic block investments in publicly listed companies have intrinsic liquidity and would therefore be relatively easy to exit through open market sales or block trades. Alternatively, an exit may be achieved through:

(i) share buy-backs by an investee company;

(ii) trade sale and/or merger of an investee company;

(iii) sale of an investee company to a financial buyer;

(iv) a management buy out;

(v) de-merger.

4. Investment restrictions

In accordance with the requirements of the UK Listing Authority and by agreement with the Investment Manager, the Company has adopted the following policies:

(a) it will not invest in securities carrying unlimited liability;

(b) short selling will be permitted provided that the aggregate value of the securities subject to a contract for sale that has not been settled and which are not owned by the Company shall not exceed 20 per cent. of the Net Asset Value; in addition, the Company may engage in uncollateralised stock lending on normal commercial terms with counterparties whose ordinary business includes uncollateralised stock lending provided that the aggregate exposure of the Company to any single counterparty shall not exceed 20 per cent. of the Net Asset Value;

(c) it will not take legal or management control of investments in its portfolio;

(d) it will not buy or sell commodities or commodity contracts or real estate or interests in real estate although it may purchase and sell securities which are secured by real estate or commodities and securities of companies which invest in or deal in real estate commodities;

(e) it will not invest or lend more than 20 per cent. of its assets in securities of any one company or single issuer;

(f) it will not invest more than 35 per cent. of its assets in securities not listed or quoted on any recognised stock exchange;

(g) it will not invest in any company where the investment would result in the company holding more than 10 per cent. of the issued share capital of that company or any class of that share capital, unless that company constitutes a trading company (for the purposes or the relevant United Kingdom legislation) in which case the company may not make any investment that would result in its holding 50 per cent. or more of the issued share capital of that company or of any class of that share capital;

(h) it will not invest more than 5 per cent. of its assets in units of unit trusts or shares or other forms of participation in managed open-ended investment vehicles; or

(i) the Company may use option, foreign exchange transactions on the forward market, futures and contracts for differences for the purpose of enhancing the value of the company provided that:

  (i) in the case of options, this is done on a covered basis;

  (ii) in the case of futures and forward foreign exchange transactions, the fact value of all such contracts does not exceed 100 per cent. of the Net Asset Value of the Company; or

  (iii) in the case of contracts for difference (including stock index future or options) the face value of all such contracts does not exceed 100 per cent. of Net Asset Value of the Company.

None of these restrictions, however, require the realisation of any assets of Oryx where any restriction is breached as a result of an event outside the control of the Investment Manager which occurs after the investment is made, but no further relevant assets may be acquired by Oryx until the relevant restriction can again be complied with. In the event of any breach of these investment restrictions, the Board of Oryx will as soon as practicable make an announcement on a Regulatory Information Service and subsequently write to Shareholders if appropriate.

While overall control of investment policy is retained by the Directors, day-to-day investment management is the responsibility of the Investment Manager, as described further in paragraph 6 below of this Part II.

5. Investment performance and portfolio

Between its admission to the Official List on 1 March 1995 and 31 May 2006, Oryx has achieved a strong investment performance, having significantly grown its unaudited Fully Diluted NAV per Oryx Share by 202.1 per cent.[1], which compares to a total return for the FTSE All Share index of 178.5 per cent.[2] over the same period.

Oryx invests in small and mid-sized quoted and unquoted companies in the United Kingdom and United States. Detailed information relating to its investments as at 31 March 2006 is set out in its annual report and accounts for the year ended 31 March 2006 on pages 8 and 9 of the section headed "Investment Schedule" which is incorporated into this document by reference.

6. Investment Manager

North Atlantic Value LLP is the retained investment manager to the Company. North Atlantic Value was incorporated in England and Wales on 21 March 2003 as a limited liability partnership, with partnership No. OC304213. It operates under the Act and the regulations made thereunder. It is authorised and regulated in the conduct of its regulated activities by the FSA with license number 224915 and its designated members are JO Hambro Capital Management Group Limited ("JOHCMG") and JO Hambro Capital Management Limited ("JOHCM"). North Atlantic Value is

1. Source: Based on Oryx's unaudited Fully Diluted NAV per Oryx Share of 96 pence as at admission as per Oryx's report and accounts for the period ended 31 March 1996 and Oryx's unaudited NAV per Oryx Share of 290 pence as at 31 May 2006 as per Oryx's unaudited monthly NAV per Oryx Share announcement.

2. Source: Thomson Financial Datastream.

domiciled in the UK and its registered office is at Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB. A representative of North Atlantic Value can be contacted on the following telephone number: +44 (0)20 7747 5678.

Track Record

Christopher Mills is Chief Investment Officer of North Atlantic Value and Chief Executive of North Atlantic Smaller Companies Investment Trust Plc ("NASCIT") and of American Opportunity Trust Plc. NASCIT is the winner of numerous Micropal and S&P Investment Trust awards. Before joining JOHCMG he worked from 1975 for Samuel Montagu Limited, Montagu Investment Management Limited, and its successor company, Invesco MIM, until 1993. He was a director of Invesco MIM and held positions as Head of North American Investments and Head of North American Venture Capital.

As Chief Investment Officer of JOHCM and subsequently of North Atlantic Value, Christopher Mills, along with his Fund Management team (details of whom are provided below), has built a track record of active value investment performance across the three main North Atlantic Value managed funds which pursue an activist investment strategy as follows:

	Net Asset Value	*Increase in fund size since inception %*	*Benchmark since inception %*
The Trident North Atlantic Fund[1]	US$164.2m	139.8%	12.8%
North Atlantic Smaller Companies Investment Trust[2]	£224.1m	2,177.9%	962.2%
Oryx International Growth Fund Limited[3]	£30.9m	202.1%	178.5%

Information is as at 31 May 2006 and is unaudited

The benchmark since inception, shows the performance of the relevant indices against which the individual funds' performance is compared since their respective inception dates to 31 May 2006.

1. *Source: The Trident North Atlantic Fund and Bloomberg.*
2. *Source: North Atlantic Smaller Companies Investment Trust and Bloomberg.*
3. *Source: Based on Oryx's unaudited Fully Diluted NAV per Oryx Share of 96 pence as at admission as per Oryx's report and accounts for the period ended 31 March 1996 and Oryx's unaudited NAV per Oryx Share of 290 pence as at 31 May 2006 as per Oryx's unaudited monthly NAV per Oryx Share announcement and Thomson Financial Datastream.*

Past performance should not be seen as an indication of future performance.

Messrs Charles Groves and Paul Cameron, biographies of whom appear below, are additionally responsible within North Atlantic Value for the day to day management of Oryx's portfolio.

Charles Groves joined North Atlantic Value in April 2003 and is the fund manager working alongside Christopher Mills on UK activist investments. He is also responsible for the oversight of all corporate finance aspects of North Atlantic Value active value business. He has over ten years corporate finance experience, gained most recently at ABN AMRO Hoare Govett and previously at UBS Warburg, where he spent six years in the UK Execution Group focusing on capital markets and corporate transactions in a variety of industry sectors. Between 1998 and 2000, Charles was seconded to the Panel on Takeovers and Mergers and was subsequently involved as co-founder of a specialist equity research company.

Paul Cameron joined North Atlantic Value in September 2002 as a US Analyst working with Christopher Mills and has over ten years' investment experience. He previously worked at the Special Utilities Investment Trust based at Foreign & Colonial Management where he spent five years as an analyst and assistant manager covering Telecoms and Utility stocks on a global basis. Prior to this, he worked for two years at Merchant Securities, a UK based private client broker developing a research service based on UK and US equities. He started working in the industry in Canada assisting sales/marketing campaigns and asset management models for private client brokers at Burns Fry and Nesbitt Thomson.

Potential conflicts of interest

The Investment Manager and its respective affiliates serve as investment manager or investment adviser to other clients, including Oryx and may be involved in other financial, investment or professional activities. In particular, they may provide investment management, investment advice or other services in relation to funds which may have similar investment policies to that of the Company. As a result, they may have conflicts of interest in allocating investments among the Company and other clients, including ones in which they may have a greater financial interest.

The Investment Manager will have regard to its obligations under its investment management agreement with the Company or otherwise to act in a manner that it considers fair, reasonable and equitable having regard to its obligations to other clients, when potential conflicts of interest arise.

The Investment Manager has in place policies for management of investment allocations and conflicts of interest in compliance with the FSA's Conduct of Business Rules.

7. Administration, Registrar and Secretarial and Custodian agreements

Oryx has appointed HSBC Securities Services (Guernsey) Limited ("HSBC Securities Services") as Administrator, and Secretary of Oryx. In such capacity, the Administrator is responsible for general secretarial functions of Oryx required by the Companies Laws and also for Oryx's general administrative functions, such as the calculation and publication of the Net Asset Value and the maintenance of accounting records. The Administrator is licensed by the Guernsey Financial Services Commission.

Oryx has appointed HSBC Custody Services (Guernsey) Limited ("HSBC Custody Services") to act as custodian of the Company's quoted and unquoted assets and in that capacity is responsible for ensuring safe custody and dealing with settlement arrangements. Under the custody agreement HSBC Custody Services may delegate custody of overseas assets to sub-custodians, provided such sub-custodians are appropriately regulated.

HSBC Custody Services is licensed by the Guernsey Financial Services Commission and its registered address is P.O. Box 208, Arnold House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands GY1 3NF. A representative of HSBC Custody Services can be contacted on the following telephone number: + 44 (0)1481 707 000.

HSBC Custody Services was incorporated and registered with limited liability in Guernsey under the Companies Law on 25 August 1992 with registered number 25799. HSBC Custody Services is domiciled in Guernsey and operates under the Companies Laws and the ordnance and regulations thereunder.

Oryx has appointed Capita IRG (CI) Limited to act as the Company's registrar.

8. Directors

The Directors, are as follows:

Nigel Cayzer *(Chairman)*

Nigel Cayzer is Chairman of Aberdeen Asia Smaller Companies Investment Trust, Oryx (2004) Fund and a non-executive director of Cayzer Continuation PCC Ltd. He is also a director of a number of private companies.

Mr Cayzer started his career in the stock exchange working for L Messel & Co. He worked in the insurance industry from the early eighties until resigning as Chairman of Oriel Group PLC following its sale in 1998.

He was a non-executive director of Caledonia Investments PLC from 1986 until 2002, the Alliance Housing Bank SAOG from 1998 until 2006 and Chairman of the Oryx Fund Ltd from 1994 until 2004.

Christopher Harwood Bernard Mills *(Non-Executive Director)*

Christopher Mills is Chief Investment Officer of North Atlantic Value and Chief Executive of North Atlantic Smaller Companies Investment Trust Plc ("NASCIT") and of American Opportunity Trust Plc. NASCIT is the winner of numerous Micropal and S&P Investment Trust awards. Before joining JOHCM he worked from 1975 for Samuel Montagu Limited, Montagu Investment Management

Limited, and its successor company, Invesco MIM, until 1993. He was a director of Invesco MIM and held positions as Head of North American Investments and Head of North American Venture Capital.

Rupert Arthur Rees Evans *(Non-Executive Director)*
Rupert is a Guernsey Advocate and was a partner in the firm of Ozannes between 1982 and 2003 since then he has been and remains a consultant to that firm. He is a non-executive director of a number of other investment companies some of which are quoted on recognised stock exchanges. He is a resident of Guernsey.

Sidney Cabessa *(Non-Executive Director)*
Sidney is Chairman of CIC Finance, an investment fund and a subsidiary of the French banking group, Crédit Mutuel – CIC. Mr Cabessa is a director of Nature et Découvertes, International Metal Service, Nord Est, Coficem-Sagem, Crédit Industriel de Normandie, CIC Securities and CIC Capital Privé.

Colin Hannaway *(Non-Executive Director)*
Colin Hannaway has over 10 years of experience in the financial services sector. Mr. Hannaway currently serves as a director in the Global Investment Bank of HSBC Securities (USA) Inc. Previously, Mr. Hannaway served as senior vice president of Investments for Sterling Grace Corporation, where he was responsible for the private equity investment activities of the firm. Prior to Sterling Grace Corporation, Mr. Hannaway served as a vice president in the Global Investment Banking division of JP Morgan Chase in New York.

Walid Chatila *(Non-Executive Director)*
Walid Chatila has more than 11 years of international audit and special assignment experience in the Middle East and North America. He is a Certified Public Accountant (Texas 1984) and a Chartered Accountant (Ontario 1991). Since 1994 he has been the Finance Director of Emirates Holdings in Abu Dhabi, United Arab Emirates, and is in charge of the corporate support services including finance and administration for that company.

9. Net Asset Value Publication

The Net Asset Value per Oryx Share will be calculated on a monthly basis, in pounds sterling by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) and will be announced through the London Stock Exchange following the relevant NAV calculation date. The Directors do not expect at any point to suspend the monthly calculations of the Net Asset Value per Oryx Share. However, should the Directors suspend the monthly calculation, they have undertaken to notify Shareholders and investors through a Regulatory Information Service. In the period after Admission and prior to the Conversion, the Net Asset Value per C Share will also be published in the same manner as for the Ordinary Shares

10. Report and Accounts

Oryx's audited annual report and accounts are made up to 31 March in each year and it is expected that copies will be sent to Shareholders by the end of August. Shareholders also receive an unaudited interim report covering the six months to 30 September and it is expected that copies will be sent to Shareholders by the end of the December. Oryx's accounts are drawn up in sterling and in compliance with UK GAAP.

11. Dividend policy

The Directors do not expect that the Company will realise significant dividend income from its investments or that the Company is likely to receive significant income as interest. Consequently, the Directors do not expect to declare dividends on either the Oryx Shares or the Oryx C Shares. It is however the policy of the Company to distribute to Oryx Shareholders substantially all of its net income (if any) available for distribution, once a year by way of dividend. To the extent that any dividends are paid they will be paid in accordance with any applicable laws and regulations of the UKLA and the requirements of the Companies Laws.

12. Fees and expenses

Ongoing annual expenses

Investment Manager fee

North Atlantic Value, the Investment Manager, is entitled to a fee of 1.25 per cent. on the first £15 million of the Net Asset Value of the Company, and 1 per cent. of any excess, payable monthly in arrears.

Administrator and Secretary

HSBC Securities Services, as Administrator and Secretary, is entitled to receive an annual fee at a rate of 0.10 per cent. on the first £20 million and 0.05 per cent. of any excess of the Net Asset Value.

Custodian

HSBC Custody Services, as Custodian, is entitled to receive an annual fee at a rate of 0.075 per cent. on the first £20 million and 0.05 per cent. of any excess of the Net Asset Value.

Registrar

Capita IRG (CI) Limited, as Registrars, is entitled to receive an annual fee of a minimum of £3,500 for operating the shareholders accounts and £1,500 for the maintenance of the shareholder register in Guernsey and for the provision of a UK transfer agent.

Directors

With the exception of Nigel Cayzer, the Chairman, who is entitled to an annual fee of £18,000, each Director is entitled to an annual fee of £12,000 from the Company. In addition, all Directors are entitled to reimbursements of travel, hotels and other expenses incurred by them in the course of their duties relating to the Company.

Financial adviser and broker

Under the terms of the agreement appointing Arbuthnot Securities to act as the stockbroker to the Company, Arbuthnot Securities is entitled to an annual fee of £12,500.

13. Borrowings

The Memorandum and Articles of Association of Oryx do not contain any material restriction on the investment powers of Oryx. The Articles do, however, restrict the exercise of the borrowing power of the Oryx Directors to 40 per cent. of the Adjusted Share Capital and Reserves of Oryx (as defined in the Articles). Further details concerning the borrowing powers of the Directors are set out in Part VIII of the document in the section headed "Articles of Association of Oryx – 4.2.6 Borrowing powers."

Borrowings are restricted on a longer term basis to 20 per cent. of its Adjusted Capital and Reserves.

14. Buy-backs

Oryx has been granted authority to make market purchases of up to 14.99 per cent. of its Ordinary Shares. The Company's authority to make purchases of its Ordinary Shares will expire at the earlier of 6 July 2007 and the conclusion of the 2007 annual general meeting of the Company. A renewal of the authority to make purchases of Ordinary Shares will be sought from Oryx Shareholders at each annual general meeting of the Company. The timing of any purchases will be decided by the Board of Oryx and will be at its absolute discretion.

The Directors intend that purchases will only be made, pursuant to this authority, through the market, for cash, at prices below the prevailing Net Asset Value of an Oryx Share, where the Directors believe such purchases will result in an increase in the Net Asset Value per Oryx Share of the remaining Ordinary Shares and to assist in narrowing any discount to Net Asset Value per Oryx Share at which such shares may trade. The maximum price per Oryx Share to be paid will be 5 per cent. above the average of the middle-market closing price of an Oryx Share for the five Business Days before the purchase is made, and any purchases will be made in accordance with the Companies Laws and ordinances made thereunder. Any Ordinary Shares purchased by the Company will be cancelled.

Equivalent provisions will be incorporated in the New Articles permitting market purchases of up to 28.44 per cent. of the Oryx C Shares in issue in the period up to Conversion. This authority comprises market purchases of up to 14.99 per cent. and a further amount of 13.85 per cent. to be used solely for the purpose of purchasing Oryx C Shares held by any subsidiary of the Company and/or in which any subsidiary of the Company is interested by virtue of any contract for difference, as described in paragraph 8(h) of Part III of this document.

15. Life of Oryx

At the Annual general Meeting of Oryx held on 28 December 2005, the tenth anniversary of the founding of the Company, Oryx was obliged to put forward a resolution in accordance with Article 143 (a) of the Articles of Association of Oryx that Oryx be wound up. The Oryx Shareholders voted not to wind up Oryx by voting against the special resolution. A similar resolution will be put to shareholders in 2007 and then every two years thereafter.

PART III

SUMMARY OF THE ORYX C SHARE RIGHTS

The rights and restrictions attaching to the Oryx C Shares are set out in the New Articles of the Company proposed to be adopted at the Extraordinary General Meeting. The relevant provisions of the New Articles are summarised below.

1. The following definitions apply for the purposes of this Part III of this document only:

"**Auditors**" means the auditors of the Company for the time being;

"**Conversion Ratio**" is the ratio of the Net Asset Value per Oryx C Share to the Net Asset Value per Oryx Share, which is calculated as:

A/B where A = (C-D)/E and B = (F-C-G+D)/H

Where:

"**C**" is the aggregate of:

(a) the value of the investments held in the C Shareholders Fund (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (b) below) which are listed or dealt in on a stock exchange calculated by reference to the mid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments at the Calculation Time on the principal stock exchange or market where the relevant investment is listed or dealt in or traded, as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and

(b) the value of all other investments held in the C Shareholders Fund (other than investments included in (a) above) calculated by reference to the Directors' belief as to a fair current value for those investments as at the Calculation Time after taking into account any other price publication services reasonably available to the Directors; and

(c) the amount which, in the Directors' opinion, fairly reflects, as at the Calculation Time, the value of all other assets held in the C Shareholders Fund (excluding the investments valued under (a) and (b) above, but including cash and deposits with or balances at a bank and including any accrued income attributable to the C Shareholders Fund;

"**D**" is the amount (to the extent not otherwise deducted in the calculation of C) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shareholders Fund as at the Calculation Time including any accrual for fees payable to the Investment Manager in respect of the management of the investments attributable to the C Shareholders Fund and other accrued expenses attributable to the C Shareholders Fund;

"**E**" is the number of the Oryx C Shares in issue at the Calculation Time;

"**F**" is the aggregate of:

(a) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (b) below) which are listed or dealt in or traded on a stock exchange calculated by reference to the mid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and

(b) the value of all other investments of the Company (other than investments included in (a) above) calculated by reference to the Directors' behalf as to a fair current value for those investments as at the Calculation Time after taking into account any other price publication services reasonably available to the Directors; and

(c) the amount which, in the Directors' opinion, fairly reflects, as at the Calculation Time, the value of all other assets of the Company (excluding the investments valued under (a) and (b) above but including cash and deposits with or balances at a bank and including any accrued income;

"**G**" is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company as at the Calculation Time including any accrual for any fees and expenses payable to the Investment Manager and any accrued expenses; and

"**H**" is the number of Ordinary Shares in issue as at the Calculation Time;

provided that the Directors shall make such adjustments to the value or amount of A and B as is judged appropriate to fairly reflect the financial position of the C Shareholders Fund and the other assets and liabilities of the Company immediately prior to the Unconditional Date.

"**Force Majeure Circumstances**" means (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging or seeking to challenge the power of the Company and/or its Directors to issue the Oryx C Shares with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest;

References to the Auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to ordinary shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, Oryx C Shares, and Deferred Shares respectively.

2. The holders of the Ordinary Shares, the Oryx C Shares, and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights in respect of participation in the profits of the Company:

   (a) the Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any right to share in the profits of the Company;

   (b) the C shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of net assets attributable to the C Shareholders Fund and from income received and accrued which is attributable to the C Shareholders Fund;

   (c) the Ordinary Shares shall confer the right to dividends declared in accordance with the Articles;

   (d) the Ordinary Shares into which Oryx C Shares shall convert shall rank *pari passu* with the Ordinary Shares then in issue for dividends and other distributions made or declared by reference to a record date falling after the Calculation Time; and

   (e) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Time and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Time and the Conversion Date (both dates inclusive).

3. The holders of the Ordinary Shares, the C Shares and the Deferred Shares shall, on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) subject to the provisions of the Articles, have the following rights as to capital:

   (a) the surplus capital and assets of the Company shall at a time when the C Shares are in issue and prior to the Conversion Date be applied amongst the holders of the Existing Ordinary Shares pro rata according to the nominal capital paid up on their holdings of Existing Ordinary Shares, after having deducted therefrom an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount shall be applied amongst the C Shareholders pro rata according to the nominal capital paid up on their holdings of C Shares. For the purposes of this paragraph 3(a) the Calculation Time shall be such time on such date as the liquidator may determine; and

   (b) the surplus capital and assets of the Company shall at a time when no C Shares are for the time being in issue be applied as follows:

(i) first, if there are Deferred Shares in issue, in paying to the deferred shareholders 1 pence in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and

(ii) secondly, the surplus shall be divided amongst the ordinary shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

4. As regards voting and transfer:

(a) The Oryx C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of the holders of C Shares will be same as those applying to holders of Ordinary Shares as set out in the Articles as if the C Shares and Ordinary Shares were a single class. The C Shares shall be transferable in the same manner as the Ordinary Shares.

(b) The Deferred Shares shall not carry to right to receive notice of or to attend or vote at any general meeting of the Company. The Deferred Shares shall not be transferable.

5. The following shall apply to the Deferred Shares:

(a) the Oryx C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be repurchased by the Company in accordance with the terms set out herein;

(b) immediately upon Conversion, the Company shall repurchase all of the Deferred Shares which arise as a result of the Conversion for an aggregate consideration of 1 pence and the notice referred to in paragraph 8(b) below shall be deemed to constitute notice to each C Shareholder (and to any person or persons having rights to acquire or acquiring C Shares on or after the Calculation Date) that the Deferred Shares shall be repurchased immediately upon Conversion for an aggregate consideration of 1 pence and for such purposes any Director is authorised as agent on behalf of each deferred shareholder, in the case of any share in certificated form, to execute any stock transfer form and to do anything as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each deferred shareholder who shall be bound by them. On repurchase, each Deferred Share shall be treated as cancelled and the resulting authorised but unissued share capital shall ipso facto be consolidated and, to the maximum extent possible, reclassified and redesignated as Ordinary Shares without further resolution or consent; and

(c) the Company shall not be obliged to: (a) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (b) account to any deferred shareholder for the repurchase monies in respect of such Deferred Shares.

6. Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Company's Articles:

(a) no alteration shall be made to the Articles of the Company;

(b) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company; and

(c) no resolution of the Company shall be passed to wind up the Company.

For the avoidance of doubt but subject to rights or privileges attached to any other class of shares, the previous sanction of an extraordinary resolution of the holders of the Existing Ordinary Shares and C Shares, as described above, shall not be required in respect of:

(a) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Ordinary Shares.

(b) the issue of a separate class of conversion shares.

7. For so long as the C Shares are in issue, until Conversion and without prejudice to its obligations under applicable laws the Company shall:

   (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shareholders Fund;

   (b) allocate to the assets attributable to the C Shareholders Fund such proportion of the income, expenses and liabilities of the Company incurred or accrued between the Unconditional Date and the Calculation Time relating to the C Shares (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares (including ,without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above); and

   (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

8. The C Shares for the time being in issue shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the Conversion Date in accordance with the following provisions of this paragraph 8:

   (a) The Directors shall procure that within 10 Business Days of the Calculation Time:

      (i) the Conversion Ratio as at the Calculation Time and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion shall be calculated; and

      (ii) the Auditors shall be requested to confirm that such calculations as have been made by or on behalf of the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of "H" in paragraph 1 above.

   (b) The Directors shall procure that, as soon as practicable following such confirmation and in any event within 10 Business Days of the Calculation Time, a notice is sent to each C Shareholder advising such C Shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C Shareholder will be entitled on Conversion.

   (c) On Conversion each C Share shall automatically subdivide into 5 conversion shares of 10 pence each and such conversion shares of 10 pence each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:

      (i) the aggregate number of Ordinary Shares into which the same number of conversion shares of 10 pence each are converted equals the number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and

      (ii) each conversion share of 10 pence which does not so convert into an Ordinary Share shall automatically convert into one Deferred Share.

   (d) The Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders pro rata according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is authorised as agent on behalf of each deferred shareholder, in the case of any share in certificated form, to execute any stock transfer form and to do anything as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each deferred shareholder who shall be bound by them.

(e) Forthwith upon Conversion, all the share certificates relating to C Shares held in certificated form shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled unless such former C Shareholder elects to hold the Ordinary Shares in uncertified form. Arrangements will be made for holdings of C Shares in uncertificated form to be cancelled upon Conversion and for the relevant CREST account to be credited with the Ordinary Shares which have arisen on Conversion. Share certificates in respect of the Deferred Shares will not be issued and no arrangement will be made for the Deferred Shares to be held in uncertified form.

(f) The Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

(g) The Company will use its reasonable endeavours to procure that, upon Conversion, the Ordinary Shares resulting from Conversion are admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities.

(h) The Company may purchase its own C Shares, in accordance with the Companies Laws and ordinances made thereunder, and is unconditionally authorised to make purchases (within the meaning of Section 5 of the Companies (Purchase of own Shares) Ordinance 1998) of and cancel fully paid, C Shares of 50 pence each in the capital of the Company, subject to the following:

    (i) the maximum number of C Shares authorised to be purchased is such number as equals, in aggregate, 14.99 per cent. of the C Shares in issue after full implementation of the Offer including, if such occurs, compulsory acquisition of the remaining minority shareholders in Baltimore plus a further number equal to 13.85 per cent. of the C Shares in issue after full implementation of the Offer as aforesaid (the authority in respect of this further 13.85 per cent. to be used solely for the purpose of purchasing C Shares held by any subsidiary of the Company and/or in which any subsidiary of the Company is interested in by virtue of any contract for difference);

    (ii) the maximum price which may be paid for each C Share shall be 5 per cent. above the average of the middle-market closing price of an Oryx C Share for the five Business Days before the purchase is made;

    (iii) the minimum price which may be paid for each C Share purchased shall be its nominal value of 50 pence;

    (iv) the authority hereby conferred shall expire on the Conversion Date, unless the authority is renewed in general meeting before that time; and

    (v) the Company may make a contract to purchase C Shares hereunder before the expiring of such authority and may make a purchase of C Shares pursuant to any such contract at any time, in whole or part.

PART IV

CALCULATION OF THE FORMULA ASSET VALUE

The FAV per Baltimore Share shall be calculated as at the close of business on the Unconditional Date and shall be the amount in pence which is the result of the following formula, rounded to four decimal places (with 0.00005 pence being rounded upwards):

$$\text{FAV per Baltimore Share} = (A - B)/C$$

where "**A**" is the aggregate of:

(i) the value of those investments of Baltimore which are listed, traded, quoted or dealt in on a recognised stock exchange or on AIM, a market of the London Stock Exchange, calculated by reference to the bid quotations or prices or the last trade prices for those investments as at the close of business on the Unconditional Date as derived from the relevant exchange's recognised method of publication of prices for such investments (but, for the avoidance of doubt, excluding the value of any Baltimore Shares held by any member of the Baltimore Group or in which any member of the Baltimore Group is interested by virtue of any contract for difference);

(ii) the value of those investments of Baltimore which are dealt in or traded on any publicly-available exchange or market (including any "over the counter" market but excluding any exchange or market referred to in sub-paragraph (i) above), calculated by reference to the average of the daily average of the prices marked for such investments on each of the five business days up to and including the Unconditional Date on which there were dealings or trading in such investments as derived from the relevant market's recognised method of publication of prices for such investments;

(iii) the value of those investments of Baltimore which are units in unit trusts or shares in open-ended investment companies, calculated by reference to the prices or, in the case of units or shares in respect of which cancellation and bid prices are quoted, the lower of the cancellation and bid prices quoted as at the close of business on the Unconditional Date by the manager of the relevant unit trust or open-ended investment company for holdings of the size held by Baltimore (and, for the avoidance of doubt, any such investments which are listed, traded, quoted or dealt in on a recognised stock exchange shall be valued under this sub-paragraph (iii) and not under sub-paragraph (i) above);

(iv) the value of those traded options and futures contracts to which Baltimore is a party as at the close of business on the Unconditional Date which are traded on a stock, commodities, financial futures or other securities exchange, calculated by reference to the official middle-market closing prices on the Unconditional Date as derived from the relevant exchange's recognised method of publication of prices for such traded options and futures contracts;

(v) the value of all other investments of Baltimore, calculated as being their fair realisable values as at the close of business on the Unconditional Date as determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert);

(vi) the aggregate of the amount of all paid professional, advisory, legal and other fees and other advertising costs and expenses incurred by Baltimore in connection with the Offer, such amount to include irrecoverable value added tax (where applicable) but to exclude any tax relief;

(vii) the amount as at the close of business on the Unconditional Date of any sums due from debtors (including, for this purpose, any dividends or distributions receivable on investments quoted ex-dividend or ex-distribution on the Unconditional Date and any interest accrued on any debt securities as at the Unconditional Date and any recoverable tax credit in relation thereto, but excluding any dividend, distribution or interest not yet received which has been taken into account in the value of any of the investments referred to in sub-paragraphs (i) to (v) (inclusive) above or is unlikely to be received), cash and deposits with or balances at banks, bills receivable and any money market instruments of Baltimore (together with any accrued interest at that date less an accrual for any associated tax) and the fair realisable value of any other tangible assets of Baltimore not otherwise accounted for in subparagraphs (i) to (v) (inclusive) above, less any provision for diminution of value which may be appropriate in respect of any of sub-paragraphs (i) to (v) (inclusive) above (including provisions for bad or doubtful debts), in each case as determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert); and

(viii) the aggregate amount that would be receivable by Baltimore on the exercise of all options to subscribe for Baltimore Shares in respect of which the exercise price is less than the bid price for a Baltimore Share as at the close of business on the Unconditional Date as determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert).

"B" is the aggregate of:

(i) the principal amounts as at the close of business on the Unconditional Date of any outstanding borrowings of Baltimore plus any accrued but unpaid interest, commitment fees and other charges up to and including that date and the higher of any premiums or penalties payable on either early or final repayment;

(ii) the cost of closing as at the close of business on the Unconditional Date any open foreign exchange or other forward purchase or sale contract to which Baltimore is a party on that date (save to the extent already taken into account in calculating A above);

(iii) the costs of termination as at the close of business on the Unconditional Date of any management advisory and administrative arrangements in force on that date, including, but not limited to, any compensation or other payments to be made to any investment manager, investment adviser, administrator, secretary, director or employee of Baltimore, such amount to include irrecoverable value added tax (where applicable) but to exclude any tax relief;

(iv) the cost of terminating as at the close of business on the Unconditional Date any other contracts or arrangements whatsoever in force on that date to which Baltimore is a party, but excluding, for the purpose of this sub-paragraph (iv), any investment management, advisory and administration arrangements in force at the close of business on the Unconditional Date;

(v) the costs of any dividend or other distribution of Baltimore declared or announced on or before the Unconditional Date, so far as not previously paid;

(vi) the aggregate of the amount referred to in sub-paragraph (vi) above in the calculation of A and the amount of any accrued but unpaid professional, advisory, legal and other fees and advertising and other costs and expenses whatsoever incurred by Baltimore (whether in connection with the Offer or otherwise), including all such fees, costs and expenses relating to or in connection with the determination of the Formula Asset Values (including any charges made by any independent expert appointed in connection with determining the Formula Asset Values), such amount to include irrecoverable value added tax (where applicable) but to exclude any tax relief;

(vii) the amount of all stamp duty or stamp duty reserve tax as may be payable by Oryx in respect of the transfer of the Baltimore Shares pursuant to the Offer (assuming full acceptance of the Offer), as estimated by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert);

(viii) the amount of any professional, advisory, legal and other fees and advertising and other costs and expenses whatsoever incurred by Oryx in connection with the Offer, whether paid or unpaid at the close of business on the Unconditional Date including all such fees, costs and expenses relating to or in connection with the determination of the Formula Asset Value (including any charges made by any independent expert appointed in connection with determining the Formula Asset Value) but excluding for the purpose of this sub-paragraph (viii) all stamp duty and stamp duty reserve tax already provided for in accordance with sub-paragraph (vii) above, such amount to include irrecoverable value added tax (where applicable) but to exclude any tax relief;

(ix) an amount which fully reflects all other liabilities and obligations of Baltimore whatsoever, including a fair provision for any contingent liabilities (including any additional liabilities to taxation, whether or not deferred, and any liabilities arising on liquidation) or losses (including disputed claims), as at the close of business on the Unconditional Date determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert); and

"**C**" is the aggregate of:

(i) the number of Baltimore Shares in issue as at the close of business on the Unconditional Date excluding any Baltimore Shares which are held by any member of the Baltimore Group or in which any member of the Baltimore Group is interested by virtue of any contract for difference; and

(ii) the number of additional Baltimore Shares that would be issued on the exercise of all of the options to subscribe for Baltimore Shares in respect of which the exercise price is less than the bid price for a Baltimore Share as at the close of business on the Unconditional Date as determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert).

Notes:

1. For the purpose of the above calculations, the value of any investments, other assets or liabilities denominated or valued in currencies other than sterling shall be converted into sterling at the closing mid-point spot rate of exchange between sterling and such other currencies in London as at the close of business on the Unconditional Date as published in the Financial Times or, failing which, as certified by Oryx's auditors (acting as an expert and not as an arbitrator).

2. In the case of sub-paragraphs (i), (ii) and (iv) in the calculation of A above, if there has been any general suspension of trading on the relevant stock, commodities, financial futures or other securities exchange or market, or if it was closed for business on the Unconditional Date, the value of the relevant investments, traded options or futures contracts shall be taken as at the close of business on the immediately preceding date on which there was trading on such exchange or market, provided that such date is not more than seven days prior to the Unconditional Date and save that if there has been a material adverse change in the financial position of any such underlying investment, traded option or futures contract since the date by reference to which its value is calculated but prior to the close of business on the Unconditional Date, a fair provision (as determined by agreement between Arbuthnot Securities and Baltimore's financial adviser (or failing such agreement within seven days after the Unconditional Date, as determined by an independent expert)) shall be made to take account of such adverse change in the value of the relevant investment, traded option or futures contract.

3. Subject to note 2 above, in the case of sub-paragraphs (i) to (iv) (inclusive) in the calculation of A above:

   (i) where any such investment; traded option or futures contract is subject to restrictions on transfer or a suspension of dealings or if no such published or quoted prices are available in respect of any such investment, traded option or futures contract, in each case as at the close of business on the Unconditional Date, the value of such investment, traded option or futures contract will be calculated as at the close of business on the Unconditional Date in accordance with sub-paragraph (v) in the calculation of A above; and

   (ii) where any such investment, traded option or futures contract is, at the close of business on the Unconditional Date, subject to any right of any person to acquire the same or any obligation on Baltimore to dispose of the same, whether as a result of the Offer being made or becoming or being declared unconditional or otherwise, at a price more or less than would otherwise be determined in accordance with sub-paragraphs A (i) to (iv) (inclusive) in the calculation of A above, such investment, traded option or futures contract shall be valued at such greater or lesser price unless such right or obligation is unconditionally and irrevocably waived or lapses prior to the calculation of the FAV per share of Baltimore otherwise being agreed or determined.

4. Subject to note 5 below, with regard to sub-paragraphs (v) and (vii) in the calculation of A above, Arbuthnot Securities and Baltimore's financial adviser and, if appointed, any independent expert shall have regard, *inter alia*, to the following when determining the value of any investment or other asset (which shall be calculated on the basis of a notional sale by a willing seller to a willing buyer, without regard to any additional value that might be attributed to such investment or other asset by any special category of potential purchaser):

   (i) the existence or exercise of any pre-emption rights or obligations in respect of such investment or other asset or any other restrictions on the transfer or disposal of the same which may exist or which may arise as a consequence of the proposed acquisition by Oryx of Baltimore or any Baltimore Shares or of the transfer of such investment or other asset to any party or of the winding up of Baltimore;

   (ii) the terms and volumes of any recent dealings in, and marketability of, such investment or other asset; and

   (iii) the amount of any bona fide offer to acquire such investment or other asset which may be made by any person and brought to the attention of Arbuthnot Securities and Baltimore's financial adviser or, if appointed, any independent expert.

5. With regard to sub-paragraphs (v) and (vii) in the calculation of A above, Arbuthnot Securities and Baltimore's financial adviser and, if appointed, any independent expert shall, except in the case of debtors and tangible assets, be bound by the actual amount of cash items and, in the case of debtors and tangible assets, shall adopt the accounting policies used by Baltimore in its latest audited financial statements.

6. If any liability referred to in sub-paragraphs (i) to (ix) (inclusive) in the calculation of B above has not been determined by the date on which the calculations and adjustments otherwise necessary to determine the FAV per share of Baltimore have been made, there shall be included in "B" such amount in respect of any such liability as shall be considered to be an appropriate estimate by agreement between Arbuthnot Securities and Baltimore's financial adviser (or, failing such agreement within seven days after the Unconditional Date, as determined by an independent expert).

7. In agreeing any fair realisable value (in the case of sub-paragraph (v) or (vii) in the calculation of A above) or estimating or determining the amount of any liabilities, obligations or losses (in the case of sub-paragraph (ix) in the calculation of B above), or in making any determination under sub paragraph (viii) in the calculation of A, sub paragraph (ii) in the calculation of C or under notes 2 and 6 above, Arbuthnot Securities and Baltimore's financial adviser shall act as experts and not as arbitrators and any such determination shall be final and binding on all persons and neither of them shall be under any liability to any person by reason thereof or by reason of anything done or omitted to be done by them for the purposes thereof or in connection therewith.

8. The independent expert referred to in this Part IV shall be a member of the London Investment Banking Association (not connected with any of the parties providing advice to Baltimore or Oryx in connection with the Offer) selected by Arbuthnot Securities and Baltimore's financial adviser or, in default of such selection within 14 days after the Unconditional Date, by the chairman for the time being of the London Investment Banking Association on the application of either Arbuthnot Securities or Baltimore's financial adviser. Such member shall act as an expert and not as an arbitrator and his determination shall (subject to any agreement to the contrary between Oryx and Baltimore) be final and binding on all persons and such member shall not be under any liability to any person by reason of his appointment or by anything done or omitted to be done by him for the purposes of such appointment or in connection therewith.

9. The Baltimore Directors shall be invited to prepare the calculation of the FAV per Baltimore Share for review by Oryx's auditors prior to its submission for approval by Arbuthnot Securities on behalf of Oryx. In the event of a dispute regarding the calculation of the FAV per Baltimore Share, such dispute shall be determined by a chartered accountant selected by agreement between Oryx and Baltimore or, in default of such agreement within 14 days after the Unconditional Date, selected by the President for the time being of the Institute of Chartered Accountants in England and Wales, which chartered accountant shall act as an expert and not as an arbitrator and whose determination shall (subject to any agreement to the contrary between Oryx and Baltimore) be final and binding on all persons, provided that such chartered accountant shall (subject to any agreement to the contrary between Oryx and Baltimore) be bound by any values of investments or other assets or any quantification of liabilities, obligations or losses agreed between Arbuthnot Securities and Baltimore's financial adviser or otherwise agreed between Oryx and Baltimore or determined by a decision of any independent expert referred to in this Part IV in respect of any investment or other asset valued by him or any liability, obligation or loss quantified by him. In the absence of any such dispute, such calculation approved by, or on behalf of, Oryx or Baltimore, as the case may be, shall be final and binding on all persons.

10. Notwithstanding note 9 above, if the calculation of the FAV per Baltimore Share has not been so prepared and delivered to Arbuthnot Securities or Baltimore's financial adviser for their approval by the date seven days after the Unconditional Date or (whether or not such delivery has been so made) a final determination of the FAV per Baltimore Share has not been made by the date 14 days after the Unconditional Date, then, pending such final determination, a provisional calculation of the FAV per Baltimore Share shall be prepared by Oryx and Arbuthnot Securities on the basis of such information as is available to them (and after making such assumptions as they consider appropriate) and shall be arithmetically checked by Oryx's auditors. In that event, an initial consideration, equal to 85 per cent of the C Shares were the provisional calculation referred to above correct, rounded down to the nearest whole C Share shall be issued to the persons entitled thereto on the prescribed settlement date in respect of the Offer and any balance shall be issued within seven days after the final determination referred to above has been approved or determined in accordance with note 9 above and such approval or determination has been notified to Oryx (but not earlier than the prescribed settlement date).

11. Notwithstanding any of the above provisions, in the event that the valuation of any investment or other asset of Baltimore in accordance with any of such provisions, or the amount of any deduction made in accordance with sub-paragraphs (i) to (ix) (inclusive) in the calculation of B above, is, in the opinion of Arbuthnot Securities and Baltimore's financial adviser, incorrect or unfair they may, if they so agree after consultation with the auditors of Oryx and Baltimore, adopt an alternative method of valuation or deduction, as the case may be.

PART V

FINANCIAL INFORMATION ON ORYX

Selected Financial Information

The Directors believe that the most appropriate measure of the performance of Oryx is Net Asset Value per Ordinary Share. With respect to each of the last three completed financial years of Oryx and the most recent practicable month end, the movement in the total Net Assets and the Fully Diluted NAV per Oryx Share were as follows:

	Total Net Assets £	*Increase in Total Net Assets* %	*Fully diluted NAV per Oryx Share* pence	*Increase in Fully Diluted NAV per Oryx Share* %
31 March 2004	19,000,185	43.5%*	200	38.9%*
31 March 2005	25,387,051	33.6%	242	21.0%
31 March 2006	31,532,800	24.2%	296	22.3%
31 May 2006 *(Unaudited, latest practicable date)*	30,930,542	(1.9%)	290	(2.0%)

Source: Oryx's published audited financial statements unless described as 'Unaudited', in which case the source is Oryx's unaudited information prepared by the Administrator.

** By reference to the financial year of Oryx ended 30 March 2003*

Operating and Financial Review

Oryx has achieved continued annual growth in its Fully Diluted NAV per Oryx Share during the three years ended 31 March 2006, which has been achieved via the activist approach taken in relation to many of its investments.

In the year to 31 March 2006, the Fully Diluted NAV per Oryx Share grew by 22.3 per cent., driven by the performance of its quoted and unquoted investments. During the year, there were also a number of takeovers of its quoted investments.

The 21.0 per cent. growth in the Fully Diluted NAV per Oryx Share in the year ended 31 March 2005 was due to the strong performance of the quoted investments along with a number of takeovers of both quoted and unquoted investments, in some cases, significantly above Oryx's entry price. In the year ended 31 March 2004, despite the weakness of the US Dollar, which fell by 16.6 per cent. over the year, and lack of activity in the unquoted investments, Oryx still achieved a 38.9 per cent. in the Fully Diluted NAV per Oryx Share, driven by the strong performance of its quoted investments.

Oryx has not paid a dividend during the three years ended 31 March 2006.

Further information on the operating and financial performance of Oryx is set out in Oryx's annual reports and accounts for the three years ended 31 March 2006 in certain sections. The information set out in the following pages of Oryx's annual reports and accounts for the three years ended 31 March 2006 are incorporated into this document by reference:

(a) pages 4 and 5 ("Chairman's Statement" and "Investment Adviser's Report") of Oryx's annual report and accounts for the year ended 31 March 2006;

(b) pages 4 and 5 ("Chairman's Statement" and "Investment Adviser's Report") of Oryx's annual report and accounts for the year ended 31 March 2005; and

(c) pages 4 and 5 ("Chairman's Statement" and "Investment Adviser's Report") of Oryx's annual report and accounts for the year ended 31 March 2004.

Please note that some of the information incorporated by reference into this document as detailed above, includes forward looking statements that involve risks and uncertainties. Please read the paragraph entitled "Forward Looking Statements" on page 13 and the section headed "Risk Factors" which starts on page 9 of this document, for a discussion of important factors that could cause actual results/performance to differ materially from the results/performance described in the forward looking statements contained in the Chairman's Statement and Investment Adviser's Report incorporated by reference into this document.

Capital Resources

The Company is funded by equity and as at the date of this document had no outstanding debt or debt facilities. The Company generates its cash flows from the sale of investments and dividend and interest income and uses the cash flows to make further investment and to pay the expenses of the Company.

In the period to 31 March 2006, the Company has audited cash flows from operations of £2.9 million and no dividend was paid.

Capitalisation and indebtedness

The following table shows the capitalisation of the Company as at 31 March 2006 (being the last date in respect of which the Company has published audited financial information).

	31 March 2006 *£'000*
Shareholders' equity	
Share capital	5,333
Legal reserve (share premium and capital redemption reserve)	6,925
Other reserves	0
Total	12,268

Source: Derived from the Company's published audited annual report for the year ended 31 March 2006
Note: Other reserves do not include profit and loss account and capital gain and loss reserves

As at 31 May 2006 (being the latest practicable date prior to the publication of this document), there has been no material change in the capitalisation of the Company since 31 March 2006 (being the last date in respect of which the Company has published audited financial information).

The following table shows the unaudited indebtedness of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 May 2006 (being the latest practicable date prior to the publication of this document).

	31 May 2006 *£'000*
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total	–
Total Non-current Debt	–
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
Total	–

Source: Oryx management accounts

The following table shows the Company's unaudited net indebtedness as at 31 May 2006 (being the latest practicable date prior to the publication of this document).

	31 May 2006
	£'000
A. Cash	3,581
B. Cash equivalents	–
C. Trading securities	–
D. Liquidity (A + B + C)	3,581
E. Current financial receivable	–
F. Current bank debt	–
G. Current portion of non-current debt	–
H. Other current financial debt	–
I. Current financial debt (F + G + H)	–
J. Net current financial indebtedness (I - E - D)	(3,581)
K. Non-current bank loans	–
L. Bonds issued	–
M. Other non-current loans	–
N. Non-current financial indebtedness (K + L + M)	–
O. Net financial indebtedness/(cash resources) (J + N)	(3,581)

Source: Oryx management accounts

The Company had no indirect or contingent indebtedness as at 31 May 2006 (being the latest practicable date prior to the publication of this document).

(A) UNDER NEW UK GAAP FOR THE YEARS ENDED 31 MARCH 2005 AND 2006

Nature of financial information

The financial information set out in this Part V (A) has been extracted without material adjustment from the audited annual accounts of the Company for the year ended 31 March 2006. The financial information in this Part V (A) does not form the annual accounts of Oryx.

The annual accounts, together with the report of the independent auditors, which is an unqualified opinion, are incorporated by reference as detailed in Part X of this document. The auditors of Oryx for the year ended 31 March 2006 were RSM Robson Rhodes of PO Box 313, Anson Court, La Route des Camps, St Martin, Guernsey, Channel Islands GY1 3TF. RSM Robson Rhodes is a member of the Institute of Chartered Accountants in England and Wales.

BALANCE SHEET

As at 31 March 2006 (expressed in pounds sterling)

Assets	*Notes*	*2006* £	*2005* £
Bank balances		6,716,707	3,754,505
Dividends and interest receivable		108,474	115,903
Other receivables		97,424	226,084
Listed investments at fair value (Cost £15,411,613: 2005: £15,740,509)	2 b), 3	18,916,400	18,181,422
Unlisted investments at fair value (Cost £5,388,047: 2005: £3,216,893)	2 b), 3	7,020,250	4,278,849
Total assets		32,859,255	26,556,763
Liabilities			
Bank overdrafts		–	6
Amounts due to brokers		1,221,770	627,322
Creditors and accrued expenses		104,685	169,833
Convertible loan stock	4	–	372,551
Total liabilities		1,326,455	1,169,712
Net assets		31,532,800	25,387,051
Represented by:			
Capital and reserves			
Called up share capital	5 b)	5,333,044	5,143,158
Share premium	5 b)	5,678,410	5,488,525
Capital redemption reserve	6	1,246,500	1,246,500
Other reserves	7	19,274,846	13,508,868
		26,199,756	20,243,893
Total Equity Shareholders' Funds	14	31,532,800	25,387,051
Net Asset Value per Share	13	£2.96	£2.47
Diluted Net Asset Value per Share	13	£2.96	£2.42

INCOME STATEMENT

For the year ended 31 March 2006 (Expressed in pounds sterling)

Income	*Notes*	*2006* £	*2005* £
Deposit interest	2 a)	318,237	99,780
Dividends and investment income	2 a)	854,290	504,356
		1,172,527	604,136
Expenditure			
Management and investment adviser's fee	8	324,682	371,356
Finance charge	2 e), 4	7,220	12,858
Custodian fees	9	18,155	18,724
Administration fee	10	27,344	21,256
Registrar and transfer agent fees	10	1,391	4,170
Directors' fees and expenses	11	109,311	117,852
Audit fees		11,500	10,643
Insurance		9,000	10,000
Legal and professional fees		73,960	96,239
Transaction costs	2 f)	126,762	–
Miscellaneous expenses		37,713	31,864
		747,038	694,962
Net income/(expense) before taxation		425,489	(90,826)
Taxation	12	(83,665)	(42,319)
Net income/(expense) for the year after taxation		341,824	(133,145)
Realised gain on investments	2 d)	3,772,030	4,376,620
Gain/(loss) on foreign currency translation	2 c)	18,002	(6,047)
Premium on redemption on convertible loan stock		–	(269,695)
Movement in unrealised gain/(loss) on revaluation of investments	2 d)	1,634,122	(3,966)
Total surplus attributable to Shareholders for the year		5,765,978	3,963,767
Basic earnings per share for the year	13	£0.54	£0.43
Diluted earnings per share for the year	13	£0.55	£0.38

The Company has no recognised gains and losses other than those included in the Income Statement.

There are no differences between the net investment income as stated above and its historical cost equivalents.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2006 (Expressed in pounds sterling)

	Notes	*2006* £	*2005* £
Net cash inflow/(outflow) from operating activities	15	419,986	(86,925)
Investing activities			
Purchase of investments		(18,009,316)	(17,846,379)
Sale of investments		20,533,536	18,344,486
Net cash inflow from investing activities		2,524,220	498,107
Financing activities			
Payment to holders of convertible stock		–	(593,360)
Payment to holders of warrants		–	(7,222)
Lapsed warrants		–	37,701
Payment to shareholders		–	(25,870)
Shares issued on exercise of warrants		–	687,326
Net cash inflow from financing activities		–	98,575
Net cash inflow		2,944,206	509,757
Reconciliation of net cash flow to movement in net funds			
Net cash inflow		2,944,206	509,757
Exchange movements		18,002	(6,047)
Net cash at beginning of year		3,754,499	3,250,789
Net cash at end of year		6,716,707	3,754,499

NOTES TO THE ACCOUNTS

For the year ended 31 March 2006

1. GENERAL

Oryx International Growth Fund Limited (the "Company") was incorporated in Guernsey on 2 December 1994 and commenced activities on 3 March 1995.

2. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with UK applicable accounting standards.

The accounting policies have been applied consistently by the Company and are consistent with those used in the previous reporting period except for changes resulting from new Financial Reporting Standards ("FRSs"). Under transitional provisions, comparative figures for 2005 have not been adjusted or extended to conform to changes in presentation in the 2006 financial statements as required by the new FRSs.

The Company adopted the new FRSs from 1 April 2005. The changes to the Company's accounting policies and their effect on the financial statements are described in note (f) below.

a) *Income Recognition*

Dividends arising on the Company's listed and unlisted investments have been accounted for on an ex-dividend basis. Deposit interest is accrued on a day-to-day basis. Loan interest is accounted using the effective interest method. All income is shown gross of any applicable withholding tax.

b) *Valuation of investments*

From 1 April 2004 to 31 March 2005

Classification

Listed investments

Listed investments have been valued at the mid-market price ruling at the balance sheet date. In the absence of the mid-market price, the closing price has been taken, or, in either case, if the market is closed on the balance sheet date, the mid-market or closing price on the preceding business day.

Unlisted investments

Unlisted investments have been valued at original cost unless there has been a permanent diminution in value in which case an appropriate provision has been made to reduce the valuation. An investment will be valued in excess of original cost when there has either been an arm's length transaction in the security or where a clear maintainable earnings stream has been established, in which case it will be valued on a price/earnings multiple with an appropriate discount to reflect non-marketability.

In situations where a stock exchange price is not available, prices may not be current, and may differ significantly from the values that would have been used had a ready market existed for the investments and differences could be material. The Manager has no reason to believe that the valuations used are unreasonable.

From 1 April 2005 to 31 March 2006

Classification

From 1 April 2005, the Company adopted Financial Reporting Standards No. 26 "Financial Instruments: Measurement" (FRS 26) and designated all of its investments into the financial assets at fair value through profit or loss category.

This category comprises financial instruments designated at fair value through profit or loss upon initial recognition – these include financial assets that are not held for trading purposes and which may be sold. These are principally investments in listed and unlisted equities.

Measurement

Financial instruments are measured initially at fair value being the transaction price. Subsequent to initial recognition, all instruments classified as fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Income Statement. Transaction costs are separately disclosed in the income statement.

Fair value measurement principles

Listed investments have been valued at the bid market price ruling at the balance sheet date. In the absence of the bid market price, the closing price has been taken, or, in either case, if the market is closed on the balance sheet date, the bid market or closing price on the preceding business day.

Unlisted investments traded on AIM have been valued at their published bid prices at the balance sheet date. Unlisted investments where there is not an active market are valued using an appropriate valuation technique so as to establish fair value at the balance sheet date.

For the year ended 31 March 2006 transaction costs applicable to investment transactions have been recognised in the Income Statement.

c) *Foreign Currency Translation*

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the pound sterling which reflects the Company's primary activity of investing in Sterling securities.

Foreign currency assets and liabilities have been translated at the exchange rates ruling at the balance sheet date. Transactions in foreign currency during the period have been translated into pounds sterling at the spot exchange rate in effect at the date of the transaction. Realised and unrealised gains or losses on currency translation are recognised in the Income Statement.

d) *Realised and Unrealised Gains and Losses*

Realised gains and losses arising on the disposal of investments are calculated by reference to the cost attributable to those investments and the sales proceeds, and are included in the Income Statement. Unrealised gains and losses arising on investments held at the balance sheet date are also included in the Income Statement.

e) *Convertible Loan Stock at 31 March 2006*

All outstanding loan stock was converted during the year. The Convertible Loan Stock is recorded at the amount of the net proceeds. The difference between the recorded amount and the redemption value of the loan stock, the finance cost, was charged at a constant rate over the period to maturity to the Income Statement. Under the provisions of FRS 25, the equity portion of the Convertible Loan Stock should be separated from the debt portion. However, all the loan stock outstanding was converted during the year and the amount outstanding at 1 April 2005 was immaterial. This split between debt and equity was not deemed necessary and has not been disclosed.

f) *Changes in Accounting Policy*

As described in note (b) above, the Company adopted the following new accounting standards which were issued during 2004 and 2005 and apply to listed entities for accounting periods beginning on or after 1 January 2005:

– FRS 20 – Share based payments
– FRS 21 – Events after the balance sheet date
– FRS 22 – Earnings per share
– FRS 23 – The effects of changes in foreign exchange rates

– FRS 24 – Financial reporting in hyperinflationary economies
– FRS 25 – Financial Instruments: disclosure and presentation
– FRS 26 – Financial Instruments: measurement
– FRS 28 – Corresponding amounts

The adoption of these standards has resulted in some changes to the Company's accounting policies. In summary:

FRS 20, FRS 21, FRS 22, FRS 24 and FRS 25 had no material effect on the Company's policies.

FRS 23 had no material effect on the Company's policy. The functional currency of the Company has been re-evaluated based on the guidance in the revised standard and is still considered appropriate.

FRS 26 has required the classification of financial assets and financial liabilities for recognition and measurement purposes. The Company has classified financial instruments as financial assets or financial liabilities at fair value through profit or loss on adoption of FRS 26 on 1 April 2005. Financial assets and liabilities not classified as financial assets or financial liabilities at fair value through profit or loss are measured at amortised cost. Interest income is recognised in the income statement using the effective interest method. Transaction costs applicable to investment transactions have been separately disclosed. The Company has availed of the option in FRS 26 not to restate comparatives arising from these changes. Had comparatives been restated, the net assets as at 31 March 2005 would have been reflected at the bid market value as opposed to their mid market value. There was no material difference between the bid and mid market value as at that date.

3. INVESTMENTS

	2006 £	*2005* £
Cost at beginning of the year	18,957,402	14,396,765
Additions	18,603,764	18,340,850
Disposals	(20,533,536)	(18,156,833)
Realised gains on investments	3,772,030	4,376,620
Cost at end of the year	20,799,660	18,957,402
Unrealised gains on investments	5,136,990	3,502,869
Market Value at end of the year	25,936,650	22,460,271

4. CONVERTIBLE LOAN STOCK

The Zero Coupon Convertible Unsecured Loan Stock was convertible into shares at the rate of one share for each £1 integral multiple of each £10 unit of Convertible Loan Stock. Conversion was available to the holder by lodging a notice during the 30 day period after the date of despatch of the audited accounts to the shareholders in each year from 1999 to 2005 inclusive. During the year ended 31 March 2006, all remaining Convertible Loan Stock was converted into shares.

Over the year under review a finance charge of £7,220 (2005: £12,858) was taken to the Income Statement.

Reconciliation of Convertible Loan Stock

	2006 £	*2005* £
At 1 April	372,551	2,414,522
Finance charge	7,220	12,858
Value of stock converted into shares	(379,771)	(1,731,164)
Value of stock repurchased	–	(323,665)
At 31 March 2006 (nominal outstanding nil (2005: 379,771)	£–	£372,551

During the period 379,771 units of convertible loan stock with a book value of £372,551 were converted for an amount of £379,771.

5. SHARE CAPITAL AND SHARE PREMIUM

a) *Authorised Share Capital*

	£
50,000,000 ordinary shares of 50p each	25,000,000
	25,000,000

Ordinary Shares

In a winding-up, the holders of ordinary shares are entitled to the repayment of the nominal amount paid up on their shares. In addition, they have the right to receive surplus assets available for distribution. The shares confer the right to dividends, and at general meetings, on a poll, confer the right to one vote in respect of each ordinary share held.

Management Options

The Investment Adviser had been granted options representing 5 per cent. of the issued share capital of the Company (calculated on the basis that all conversion rights under the Convertible Loan Stock, as shown in the prospectus, have been exercised but excluding any exercise of Warrants). Each option entitled the Investment Adviser to subscribe for one share at a price of £1 at any time before 31 March 2005 under certain conditions. All Management Options not exercised by 31 March 2005 lapsed. In accordance with the provisions of FRS 20, the Company has not disclosed a charge over the vesting period as the Options were all granted and vested prior to November 2002.

b) *Issued – 1 April 2005 to 31 March 2006*

	Number of Shares	*Share Capital £*	*Share Premium £*
Ordinary shares of 50p each;			
Management shares of 50p each:			
At 1 April 2005	10,286,317	5,143,158	5,488,525
Issued during the year	379,771	189,886	189,885
At 31 March 2006	10,666,088	5,333,044	5,678,410

During the year 379,771 shares were converted from loan stock.

Issued – 1 April 2004 to 31 March 2005	*Number of Shares*	*Share Capital £*	*Share Premium £*
Ordinary shares of 50p each;			
Management shares of 50p each:			
At 1 April 2004	7,883,231	3,941,615	4,279,078
Issued during the year	2,418,086	1,209,043	1,209,447
Repurchased during the year	(15,000)	(7,500)	–
At 31 March 2005	10,286,317	5,143,158	5,488,525

6. CAPITAL REDEMPTION RESERVE

	2005 £	*Movement £*	*2006 £*
	£1,246,500	£–	£1,246,500

7. OTHER RESERVES

	31 March 2005 £	Movement £	31 March 2006 £
Net investment income	1,061,748	341,824	1,403,572
Realised gain on investments	14,241,143	3,772,030	18,013,173
Gain/(loss) on foreign currency transactions	(793,130)	18,002	(775,128)
Unrealised gain on revaluation of investments held	3,502,869	1,634,122	5,136,991
Repurchase of ordinary shares	(3,174,872)	–	(3,174,872)
Repurchase of warrants	(8,179)	–	(8,179)
Discount on repurchase of Convertible Loan Stock	(1,320,711)	–	(1,320,711)
	13,508,868	5,765,978	19,274,846

8. MANAGEMENT AND INVESTMENT ADVISER'S FEE

North Atlantic Value LLP, the Manager and Investment Adviser, is entitled to a fee of 1.25 per cent. on the first £15 million of the Net Asset Value and Loan Stock Value of the Company, and 1 per cent. of any excess, payable monthly in arrears. The agreements can be terminated giving 12 months notice or immediately should the Manager be placed into receivership or liquidation. The Manager is entitled to all fees accrued and due up to the date of such termination but is not entitled to compensation in respect of any termination. At 31 March 2006 an amount of £56,477 (2005: £125,172) was included in creditors.

9. CUSTODIAN FEE

HSBC Custody Services (Guernsey) Limited, as Custodian and Registrar is entitled to receive an annual fee at a rate of 0.075 per cent. on the first £15 million and 0.05 per cent. of any excess of the Net Asset Value, subject to a minimum of £10,000 per annum. At 31 March 2006 an amount of £3,127 (2005: £2,677) was included in creditors. HSBC Custody Services (Guernsey) Limited has delegated the day to day maintenance of the register to HSBC Securities Services (Guernsey) Limited.

10. ADMINISTRATION AND REGISTRAR FEES

HSBC Securities Services (Guernsey) Limited, as Secretary and Administrator, is entitled to an annual fee at a rate of 0.10 per cent. on the first £20 million and 0.05 per cent. of any excess of the Net Asset Value, and as Delegated Registrar, to an annual fee of £1,000 per register maintained plus transaction fees. At 31 March 2006 an amount of £6,330 (2005: £4,172) was included in creditors.

11. DIRECTORS' FEES AND EXPENSES

With the exception of the Chairman, who is entitled to a fee of £18,000 per annum, each Director is entitled to a fee of £12,000 per annum from the Company. In addition, all Directors are entitled to reimbursement of travel, hotel and other expenses incurred by them in the course of their duties relating to the Company.

12. TAXATION

The Company is eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. As such, the Company is only liable to pay a fixed annual fee, currently £600.

The taxation charge included in the Income Statement represents withholding tax suffered on dividends and investment income received in the year.

13. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

The calculation of basic earnings per share is based on a surplus of £5,765,978 (2005: £3,963,767) and an average number of shares in issue during the year of 10,602,793 shares (2005: 9,241,683 shares). In accordance with FRS 22 – Earnings per Share, the diluted earnings per share is also disclosed. This calculation is based on a surplus of £5,773,198 (2005: £3,976,625) and an average number of shares in issue during the year of 10,666,088 (2005: 10,566,132) (calculated on the basis of the full conversion of the Convertible Loan Stock, Warrants and Management Options where applicable).

The calculation of Net Asset Value per share is based on a Net Asset Value of £31,532,800 (2005: £25,387,051) and the number of shares in issue at the period end of 10,666,086 shares (2005: 10,286,315). In accordance with FRS 22 – Earnings per Share, the diluted Net Asset Value per share is also disclosed. At 31 March 2006 there was no difference between the Net Asset Value per share and the diluted Net Asset Value per share.

14. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2006 £	*2005* £
Total surplus for the year	5,765,978	3,963,767
Repurchase of warrants	–	30,479
Issue of ordinary shares	379,771	2,418,490
Repurchase of ordinary shares	–	(25,870)
Opening equity shareholders' funds	25,387,051	19,000,185
Closing equity shareholders' funds	31,532,800	25,387,051

15. RECONCILIATION OF NET INVESTMENT EXPENSE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	*2005* £
Net income/(expense) for the year	341,824	(133,145)
Decrease in dividends and interest receivable	7,429	150,815
Decrease/(increase) in debtors	128,660	(226,084)
(Decrease)/increase in creditors and accrued expenses	(65,147)	108,631
Finance charge	7,220	12,858
	419,986	(86,925)

16. DERIVATIVE AND FINANCIAL INSTRUMENTS

Financial instruments and risk profile

The investment objective of the Company is to invest substantially all of its assets in medium and small companies. The assets are invested principally in equity securities. Dividend income is a secondary consideration in making investment decisions. A substantial proportion of the portfolio is held for the longer term, often a period up to seven to ten years from the date of the investment. The geographical split of the portfolio covers the United Kingdom, continental Europe and the United States. Up to 35 per cent. of the gross assets of the Company may be invested in unquoted securities or in the form of non-corporate investment, but only if the latter have a reasonable chance of realisation within a three to four year time frame.

The Company may enter into transactions in financial futures and options, forward currency transactions, interest rate and currency swaps and related contracts for differences and derivative instruments and engage in stocklending activities for the purposes of maintaining or enhancing the value of its assets. During the year the Company has not traded in any derivative financial instruments.

Financial instruments and risk profile

The two main risks arising from the Company's financial instruments are market price risk and foreign currency risk. The Directors review and agree policies with the Manager and Investment Adviser, North Atlantic Value LLP for managing these risks. The policies for managing the market price and foreign currency risks have remained unchanged since 1 April 2001 and are summarised as follows.

Market price risk

The Company's exposure to market price risk comprises mainly movements in the value of the Company's equity investments. As at the year end the spread of the Company's investment portfolio analysed by sector was as set out on pages 8 and 9. The Company did not hedge against movements in the value of these investments during the year. In addition, 22.26 per cent. of the Company's net assets were in unquoted securities and as no market for such investments readily exists, the valuation of such investments being estimated by the Directors as set out in Note 2 b).

Foreign currency risk

The base currency of the Company is Sterling and, therefore, the Company's principal exposure to foreign currency risk comprises its investments priced in other currencies. No derivative or forward contracts were entered into during the year to hedge the currency risk.

Currency Exposure on the Net Assets

The table below shows the Company's currency exposures:

At 31 March 2006	*British Pounds* £	*Canadian Dollars* £	*US Dollars* £	*Total* £
Investments	22,213,936	1,768,153	1,954,561	25,936,650
Cash	6,714,859	–	1,848	6,716,707
Current assets (excluding cash)	28,839	3,335	173,724	205,898
Current liabilities	(1,326,455)	–	–	(1,326,455)
	£27,631,179	£1,771,488	£2,130,133	£31,532,800

At 31 March 2005	*British Pounds* £	*Canadian Dollars* £	*US Dollars* £	*Total* £
Investments	19,530,961	1,502,456	1,426,854	22,460,271
Cash	3,754,505	–	(6)	3,754,499
Current assets (excluding cash)	113,587	2,773	225,627	341,987
Current liabilities	(741,665)	–	(428,041)	(1,169,706)
	£22,657,388	£1,505,229	£1,224,434	£25,387,051

Interest rate risk profile of financial assets and liabilities

Substantially all of the Company's assets are either non interest bearing equity investments or fixed interest securities. The Company's overdraft and loan facilities are charged interest at variable rates. After taking these into account, the interest rate profile of the Company's financial assets at 31 March 2006 was:

Assets	*Total* £	*Floating* £	*Fixed* £	*Non interest* £
Sterling	28,928,796	6,714,859	–	22,213,937
Other	3,724,561	1,848	624,077	3,098,636
Total	£32,653,357	£6,716,707	£624,077	£25,312,573

At 31 March 2005

Assets	*Total* £	*Floating* £	*Fixed* £	*Non interest* £
Sterling	23,285,466	3,754,505	–	19,530,961
Other	2,929,304	(6)	487,226	2,442,084
Total	£26,214,770	£3,754,499	£487,226	£21,973,045

All assets and liabilities are carried at fair value at 31 March 2005 and 2006 with the exception of convertible loan stock which was carried at amortised cost.

Credit Risk

Default/credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk generally is higher when a non-exchange-traded financial instrument is involved, because the counterparty is not backed by an exchange clearing house. This risk is mitigated by using reputable brokers for all investment transactions.

17. RECONCILIATION OF NET ASSET VALUE TO PUBLISHED NET ASSET VALUE

	£	*£ per share*
Published Net Asset Value	31,703,179	2.97
Management shares in issue	1	0.00
Unrealised loss on revaluation of investments at Bid/Mid price (ref. Note (a) below)	(170,380)	(0.01)
Net Asset Value	31,532,800	2.96

(a) In accordance with United Kingdom Financial Reporting Standards the Company's long investments have been valued at bid price. However, in accordance with the Company's principal documents the Net Asset Value reported each month reflects the investments being valued at the closing, last or mid-market (as the Directors in all circumstances considers appropriate) price as notified to the Company on the valuation day by a member of the stock exchange concerned. Certain investments remain valued at fair value as determined in good faith by the Directors.

18. RELATED PARTY TRANSACTIONS

Christopher Mills, a Director of the Company has a beneficial interest in the Company by way of his investment in the ordinary shares of the Company. As at 31 March 2006, he held 115,000 ordinary shares. No other director has a beneficial interest in the Company.

The Manager and Investment Adviser, North Atlantic Value LLP, is a related party by virtue of the employment of Christopher Mills. Remuneration of North Atlantic LLP is disclosed in Note 8 to the accounts.

19. CONTROLLING PARTY

In the opinion of the Directors, based on information supplied to them by the Registrar, there is no one controlling party.

(B) UNDER OLD UK GAAP FOR THE YEARS ENDED 31 MARCH 2004 AND 2005

Nature of financial information

The financial information set out in this Part V (B) has been extracted without material adjustment from the audited annual accounts of the Company for the years ended 31 March 2004 and 2005. The financial information in this Part V (B) does not form the annual accounts of Oryx.

The annual accounts, together with the reports of the independent auditors, which were unqualified opinions, are incorporated by reference as detailed in Part X of this document. The auditors of Oryx for the years ended 31 March 2004 and 2005 were KPMG Channel Islands Limited of 20 New Street, St Peter Port, Guernsey, Channel Islands GY1 4AN. KPMG Channel Islands Limited is a member of the Institute of Chartered Accountants in England and Wales.

BALANCE SHEETS AT 31 MARCH

	Notes	*2005* £	*2004* £
Investments			
Listed investments at market value			
(Cost £15,740,509: 2004: £12,188,659)	2 b)	18,181,422	13,699,574
Unlisted investments			
(Cost £3,216,893: 2004: £2,208,106)	2 c)	4,278,849	4,204,026
		22,460,271	17,903,600
Current assets			
Dividends and interest receivable		115,903	266,718
Amounts due from brokers		–	187,653
Bank balances		3,754,505	3,250,789
Other receivables		226,084	–
		4,096,492	3,705,160
Current liabilities			
Bank Overdrafts		6	–
Amounts due to brokers		627,322	132,851
Convertible loan stock	2 f), 3	372,551	–
Creditors and accrued expenses		169,833	61,202
		1,169,712	194,053
Net current assets		2,926,780	3,511,107
Total assets less current liabilities		25,387,051	21,414,707
Long term liabilities			
Convertible loan stock	2 f), 3	–	2,414,522
Total net assets		25,387,051	19,000,185
Equity share capital	4 b)	5,143,159	3,941,616
Reserves			
Share premium	4 b)	5,488,524	4,279,077
Reserve relating to warrants		–	–
Capital redemption reserve	5	1,246,500	1,239,000
Other reserves	6	13,508,868	9,540,492
		20,243,892	15,058,569
Equity shareholders' funds	13	25,387,051	19,000,185
Net Asset Value per Share	12	2.47	2.41
Fully Diluted Net Asset Value per Share	12	2.42	2.00

STATEMENT OF OPERATIONS FOR THE TWO YEARS ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
Income			
Deposit interest	2 a)	99,780	57,738
Dividends and investment income	2 a)	504,356	777,862
		604,136	835,600
Expenditure			
Management and investment adviser's fee	7	371,356	228,161
Finance charge	2 f), 3	12,858	23,152
Custodian fees	8	18,724	15,680
Administration fee	9	21,256	20,050
Registrar and transfer agent fees	9	4,170	3,644
Directors' fees and expenses	10	117,852	119,136
Audit fees		10,643	12,516
Insurance		10,000	9,500
Legal and professional fees		96,239	47,434
Printing and advertising expenses		4,665	6,425
Miscellaneous expenses		27,199	25,345
		694,962	511,043
Net (expense)/income before taxation		(90,826)	324,557
Taxation		(42,319)	(96,548)
Net (expense)/income for the year after taxation		(133,145)	228,009
Realised gain/loss on investments	2 e)	4,376,620	703,397
Loss on foreign currency translation	2 d)	(6,047)	(79,012)
Premium on convertible loan stock		(269,695)	(25,712)
Movement in unrealised (loss)/gain on revaluation of investments	2 e)	(3,966)	5,353,186
Total surplus attributable to shareholders for the year		3,963,767	6,179,868
Earnings per share for the year	12	0.43	0.76
Fully diluted earnings per share for the year	12	0.38	0.57

The company has no recognised gains and losses other than those included in the Statement of Operations.

There are no differences between the net investment income as stated above and its historical cost equivalents.

All activities in the Statement of Operations derive from continuing activities.

STATEMENT OF CASH FLOWS FOR THE TWO YEARS ENDED 31 MARCH 2005

	Notes	*2005* £	*2004* £
Net cash (outflow)/inflow from operating activities	14	(86,925)	51,771
Investing activities			
Purchase of investments		(17,846,379)	(13,647,072)
Sale of investments		18,344,486	17,142,329
Net cash inflow from investing activities		498,107	3,495,257
Financing activities			
Payments to holders of convertible stock		(593,360)	(70,946)
Payments to holders of warrants		(7,222)	–
Lapsed warrants		37,701	–
Payment to shareholders		(25,870)	(413,828)
Payments to holders of convertible stock		–	(75,150)
Shares issued on exercise of warrants		687,326	–
Net cash inflow/(outflow) from financing activities		98,575	(559,924)
Net cash inflow/(outflow)		509,757	2,987,104
Reconciliation of net cash flow to movement in net funds			
Net cash inflow/(outflow)		509,757	2,987,104
Exchange movements		(6,047)	(79,012)
Net cash at beginning of year		3,250,789	342,697
Net cash at end of year		3,754,499	3,250,789

NOTES TO THE ACCOUNTS

for the two years ended 31 March 2005

1. GENERAL

Oryx International Growth Fund Limited (the "Company") was incorporated in Guernsey on 2 December 1994 and commenced activities on 3 March 1995.

2. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with UK applicable accounting standards.

a) *Income Recognition*

Dividends arising on the Company's investments have been accounted for on an ex-dividend basis. Deposit interest is accrued on a day-to-day basis. All income is shown gross of any applicable withholding tax.

b) *Listed Investments*

Listed investments have been valued at the mid market price ruling at the balance sheet date. In the absence of the mid market price, the closing price has been taken, or, in either case, if the market is closed on the balance sheet date, the mid market or closing price on the preceding business day.

c) *Unlisted Investments*

Unlisted investments have been valued at original costs unless there has been a permanent diminution in value in which case an appropriate provision has been made to reduce the valuation. An investment will be valued in excess of original cost when there has either been an arm's length transaction in the security or where a clear maintainable earnings stream has been established, in which case it will be valued on a price / earnings multiple with an appropriate discount to reflect non-marketability.

In situations where a stock exchange price is not available, prices may not be current, and may differ significantly from the values that would have been used had a ready market existed for the investments and differences could be material. The Manager has no reason to believe that the valuations used are unreasonable.

d) *Foreign Currency Translation*

Foreign currency assets and liabilities have been translated into pounds sterling at the exchange rates ruling at the balance sheet date. Transactions in foreign currency during the year have been translated at the rate in effect at the date of the transaction. Gains and losses have been included in the Statement of Operations.

e) *Realised and Unrealised Gains and losses*

Realised gains and losses arising on the disposal of investments are calculated by reference to the cost attributable to those investments and the sales proceeds, and are included in the Statement of Operations. Unrealised gains and losses arising on investments held at the balance sheet date are also included in the Statement of Operations.

f) *Convertible Loan Stock*

The Convertible Loan Stock is recorded at the amount of the net proceeds. The difference between the recorded amount and the redemption value of the loan stock, the finance cost, is being charged at a constant rate over the year to maturity to the Statement of Operations.

3. CONVERTIBLE LOAN STOCK

The Zero Coupon Convertible Unsecured Loan Stock will be convertible into shares at the rate of one share for each £1 integral multiple of each £10 unit of Convertible Loan Stock. Conversion will be available to the holder by lodging a notice during the 30 day period after the date of despatch of the audited accounts to the shareholders in each year from 1999 to 2005 inclusive.

It is the intention of the Company to despatch with the audited annual accounts a letter confirming the Conversion Period and Conversion Date and setting out full details of Stockholder's Conversion Rights and the procedure to be followed by those Stockholders who wish to convert their holding of Convertible Loan Stock into shares in the Company. In addition, the Company has the power to make arrangements for the purchase of the Convertible Loan Stock by market purchases or by tender made available to all Stockholders. Any Stock unit not converted by 30 October 2005 will be repaid at its par value of £1 on 30 November 2005.

Over the year under review a finance charge of £12,858 (2004: £23,152) was taken to the Statement of Operations.

Reconciliation of Convertible Loan Stock

	2005	*2004*
	£	*£*
At 1 April	2,414,522	2,504,928
Finance charge	12,858	23,152
Value of stock converted into shares	(1,731,164)	(64,120)
Value of stock repurchased	(323,665)	(49,438)
At 31 March (nominal outstanding 379,771 (2004: 2,435,521))	372,551	2,414,522

During the year 1,730,750 units (2004: 65,000) of convertible loan stock with a book value of £1,731,164 (2004: £64,120) were converted for an amount of £1,731,164 (2004: £64,120) and 325,000 units (2004: 50,000) of convertible loan stock with a book value of £323,665 (2004: £49,438) were repurchased by the Company for an amount of £593,360 (2004: £75,150).

4. EQUITY SHARE CAPITAL AND SHARE PREMIUM

a) *Authorised*

	2005	*2004*
	£	*£*
2 management shares of £1 each	2	2
50,000,000 ordinary shares of 50p	25,000,000	25,000,000
	25,000,002	25,000,002

Up to 14,000,000 shares are reserved for issue upon conversion of Convertible Stock, exercise of Warrants and exercise of Management Options as follows:

		2005	*2004*
		£	*£*
Maximum	Committed for:		
3,000,000	Warrants	1,500,000	1,500,000
10,000,000	Convertible Stock	5,000,000	5,000,000
1,000,000	Management Options	500,000	500,000
		7,000,000	7,000,000

Ordinary Shares

In a winding-up, the holders of ordinary shares are entitled to the repayment of the nominal amount paid up on their shares. In addition, they have the right to receive surplus assets available for distribution. The shares confer the right to dividends, and at general meetings, on a poll, confer the right to one vote in respect of each ordinary share held.

Management Shares

Management shares hold the same rights as ordinary shares.

Warrants

As part of the Placing up to 3,000,000 Warrants had been authorised to be issued on the basis of three Warrants for every ten shares issued. Each Warrant entitled the holder to subscribe for one share at a price of £1 by lodging the notice of subscription with the Registrar of the Company. Warrant Rights lapsed on the 1st September 2004 and at the end of the year, there were no warrants outstanding (2004: 763,950).

Management Options

The Investment Adviser has been granted options representing 5 per cent of the issued share capital of the Company (calculated on the basis that all conversion rights under the Convertible Loan Stock, as shown in the prospectus, have been exercised but excluding any exercise of Warrants). Each option entitles the Investment Adviser to subscribe for one share at a price of £1 at any time before 31 March 2005 under certain conditions. Any Management Option not exercised by 31 March 2005 will lapse. Management Options are not transferable. At the year end 918,575 Management Options were waived with the agreement of the Board. (Outstanding 2004: 918,575).

b) *Issued*	*Number of Shares*	*Share Capital £*	*Share Premium £*
Ordinary shares of 50p each and Management shares of £1 each:			
At 1 April 2003	8,098,231	4,049,116	4,247,457
Issued during the year	65,000	32,500	31,620
Repurchased during the year	(280,000)	(140,000)	–
At 31 March 2004	7,883,231	3,941,616	4,279,077
Issued during the year	2,418,086	1,209,043	1,209,447
Repurchased during the year	(15,000)	(7,500)	–
At 31 March 2005	10,286,317	5,143,159	5,488,524

During the year 1,730,750 shares were converted from loan stock and 687,336 shares were issued from the exercise of warrants. Also, during the year, 15,000 ordinary shares (2004: 280,000) were repurchased at a total cost of £25,870 (2004: £413,828).

At the Extraordinary General Meeting held on the 6 January 2005 it was resolved that the Company be authorised to purchase its own shares on the London Stock Exchange, subject to the following:

The maximum number of Ordinary Shares that may be pursuant to the authority is 1,543,696 (2004: 1,224,483), representing 14.99% (2004: 14.99%) of the number of Ordinary Shares in issue;

The maximum price that may be paid for any such share purchased is not more than 5% above the average of the mid-market of the relevant share over the 5 trading days immediately before that purchase is made;

The minimum price that may be paid for any such share purchased is its nominal value of 50 pence;

This authority shall expire at the AGM of the company to be held in 2005 or earlier, when 18 months have elapsed from the date on which this resolution is duly passed.

Warrants

	Number of Warrants	*Warrant Reserve £*
At 1 April 2003	1,006,325	32,288
Repurchased during the year	(242,375)	(32,288)
At 31 March 2004	763,950	–
Repurchased during the year	(763,950)	–
At 31 March 2005	–	–

During the year, 687,336 warrants (2004: nil) were exercised yielding £687,336 and 10,000 warrants were repurchased (2004: 242,375) by the Company at a total cost of £7,222 (2004: 70,946), the purchase price being funded from distributable reserves (see note 6). The remaining 66,614 warrants were cancelled.

5. CAPITAL REDEMPTION RESERVE

	2003 £	*Movement* £	*2004* £	*Movement* £	*2005* £
	1,099,000	140,000	1,239,000	7,500	1,246,500

6. OTHER RESERVES

Other reserves as at 31 March consist of the following amounts:

	2003 £	*Movement* £	*2004* £	*Movement* £	*2005* £
Net investment income	966,884	228,009	1,194,893	(133,145)	1,061,748
Realised gain on investments	9,161,126	703,397	9,864,523	4,376,620	14,241,143
Loss on foreign currency transactions	(708,071)	(79,012)	(787,083)	(6,047)	(793,130)
Unrealised gain/(loss) on revaluation of investments	(1,846,351)	5,353,186	3,506,835	(3,966)	3,502,869
Repurchase of ordinary shares	(2,735,174)	(413,828)	(3,149,002)	(25,870)	(3,174,872)
Repurchase of warrants	–	(38,658)	(38,658)	30,479	(8,179)
Premium on repurchase of Convertible Loan Stock	(1,025,304)	(25,712)	(1,051,016)	(269,695)	(1,320,711)
	3,813,110	5,727,382	9,540,492	3,968,376	13,508,868

7. MANAGEMENT AND INVESTMENT ADVISER'S FEE

North Atlantic Value LLP, the Manager and Investment Adviser, is entitled to a fee of 1.25% on the first £15million of the Net Asset Value and Loan Stock Value of the Company, and 1% of any excess, payable monthly in arrears. At 31 March 2005 an amount of £125,172 (2004: £22,713) was included in creditors.

8. CUSTODIAN FEE

HSBC Custody Services (Guernsey) Limited, as Custodian and Registrar is entitled to receive an annual fee at a rate of 0.075% on the first £15 million and 0.05% of any excess of the Net Asset Value, subject to a minimum of £10,000 per annum. At 31 March 2005 an amount of £2,677 (2004: £2,192) was included in creditors. HSBC Custody Services (Guernsey) Limited has delegated the day to day maintenance of the register to HSBC Securities Services (Guernsey) Limited.

9. ADMINISTRATION AND REGISTRAR FEES

HSBC Securities Services (Guernsey) Limited, as Secretary and Administrator, is entitled to an annual fee at a rate of 0.10% on the first £20 million and 0.05% of any excess of the Net Asset Value, and as Delegated Registrar, to an annual fee of £1,000 per register maintained plus transaction fees. At 31 March 2005 an amount of £4,172 (2004: £3,831) was included in creditors.

10. DIRECTORS' FEES AND EXPENSES

With the exception of the Chairman, who is entitled to a fee of £18,000 per annum, each Director is entitled to a fee of £12,000 per annum from the Company. In addition, all Directors are entitled to reimbursement of travel, hotel and other expenses incurred by them in the course of their duties relating to the Company.

11. TAXATION

The Company is eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. As such, the Company is only liable to pay a fixed annual fee, currently £600.

The taxation charge included in the Statement of Operations represents withholding tax suffered on dividends and investment income received in the year.

12. EARNINGS PER SHARE

The calculation of undiluted earnings per share is based on a surplus of £3,963,767 (2004: £6,179,868) and an average number of shares in issue during the year of 9,241,683 (2004: 8,106,390). In accordance with FRS 14 – Earnings per Share, the fully diluted earnings per share is also disclosed. This calculation is based on a surplus of £3,976,625 (2004: £6,203,020) and an average number of shares in issue during the year of 10,566,132 (2004: 10,939,523) (calculated on the basis of the full conversion of the Convertible Loan Stock and Warrants, but excluding the Management Options in accordance with the scheme particulars).

The calculation of Net Asset Value per share is based on a Net Asset Value of £25,387,051 (2004: £19,000,185) and the number of shares in issue at the year end of 10,286,315 shares (2004: 7,883,229). In accordance with FRS 14 – Earnings per share, the fully diluted Net Asset Value per share is also disclosed. This calculation is based on a diluted Net Asset Value of £25,766,822 (2004: £22,178,657) and a diluted number of shares in issue at the year end of 10,666,086 shares (2004: 11,082,702) (calculated on the basis of the full conversion of the Convertible Loan Stock and Warrants, but excluding the Management Options in accordance with the scheme particulars).

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005	*2004*
	£	£
Total surplus for the year	3,963,767	6,179,868
Repurchase of warrants	30,479	(70,946)
Issue of ordinary shares	2,418,490	64,120
Repurchase of ordinary shares	(25,870)	(413,828)
Opening equity shareholders' funds	19,000,185	13,240,971
Closing equity shareholder's funds	25,387,051	19,000,185

14. RECONCILIATION OF NET INVESTMENT EXPENSE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2005	*2004*
	£	*£*
Net (expense)/income for the year	(133,145)	228,009
Decrease/(increase) in dividends and interest receivable	150,815	(197,850)
Increase in debtors	(226,084)	–
Increase/(decrease) in creditors and accrued expenses	108,631	(1,540)
Finance charge	12,858	23,152
	(86,925)	51,771

15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Financial instruments and risk profile

The investment objective of the Company is to invest substantially all of its assets in medium and small companies. The assets are invested principally in equity, securities and equity related instruments such as convertible bonds and warrants. Dividend income is a secondary consideration in making investment decisions. A substantial proportion of the portfolio is held for the longer term, often a period up to seven to ten years from the date of the investment. The geographical split of the portfolio covers the United Kingdom, continental Europe and the United States. Up to 35% of the gross assets of the Company may be invested in unquoted securities or in the form of non-corporate investment, but only if the latter have a reasonable chance of realisation within a three to four year time frame.

The Company may enter into transactions in financial futures and options, forward currency transactions, interest rate and currency swaps and related contracts for differences and derivative instruments and engage in stocklending activities for the purposes of maintaining or enhancing the value of its assets.

During the year the Company has not traded in any derivative financial instruments.

The two main risks arising from the Company's financial instruments are market price risk and foreign currency risk. The Directors review and agree policies with the Manager and Investment Adviser, North Atlantic Value LLP for managing these risks. The policies for managing the market price and foreign currency risks have remained unchanged since 1 April 2001 and are summarised below.

Market price risk

The Company's exposure to market price risk comprises mainly movements in the value of the Company's equity investments. As at the year end the spread of the Company's investment portfolio analysed by sector was as set out on pages 8 and 9. The Company did not hedge against movements in the value of these investments during the year. In addition, 16.87% (2004: 33.44%) of the Company's net assets were in unquoted securities and as no market for such investments readily exists, the valuation of such investments being estimated by the Directors as set out in Note 2 c).

Foreign currency risk

The base currency of the Company is Sterling and, therefore, the Company's principal exposure to foreign currency risk comprises its investments priced in other currencies. No derivative or forward contracts were entered into during the year to hedge the currency risk.

Currency Exposure on the Net Assets

The table below shows the Company's currency exposures:

At 31 March 2005

	British Pounds £	*Canadian Dollars* £	*US Dollars* £	*Total* £
Investments	19,530,961	1,502,456	1,426,854	22,460,271
Cash	3,754,505	–	(6)	3,754,499
Current assets (excluding cash)	113,587	2,773	225,627	341,987
Convertible Loan Stock	(372,551)	–	–	(372,551)
Current liabilities	(369,114)	–	(428,041)	(797,155)
	22,657,388	1,505,229	1,224,434	25,387,051

At 31 March 2004

	British Pounds £	*Canadian Dollars* £	*US Dollars* £	*Total* £
Investments	14,930,113	1,365,762	1,607,725	17,903,600
Cash	2,751,054	–	499,735	3,250,789
Current assets (excluding cash)	376,259	57,705	20,407	454,371
Convertible Loan Stock	(2,414,522)	–	–	(2,414,522)
Current liabilities	(194,053)	–	–	(194,053)
	15,448,851	1,423,467	2,127,867	19,000,185

Interest rate risk profile of financial assets and liabilities

Substantially all of the Company's assets are either non interest bearing equity investments or fixed interest securities. The Company's overdraft and loan facilities are charged interest at variable rates. After taking these into account, the interest rate profile of the Company's financial assets were:

As at 31 March 2005

	Total £	*Floating* £	*Fixed* £	*Non interest* £
Assets				
Sterling	23,285,466	3,754,505	–	19,530,961
Other	2,929,304	(6)	487,226	2,442,084
Total	26,214,770	3,754,499	487,226	21,973,045

As at 31 March 2004

Assets	*Total* £	*Floating* £	*Fixed* £	*Non interest* £
Sterling	17,681,167	2,751,054	819,500	14,110,613
Other	3,473,222	499,735	405,466	2,568,021
	21,154,389	3,250,789	1,224,966	16,678,634

Maturity of financial liabilities

The Company's financial liabilities, other than short term creditors, comprise Convertible Unsecured Loan Stock which is repayable on 30 November 2005 in the event that it has not been converted into Ordinary Shares on or before 30 October 2005.

Fair value of financial assets and liabilities

The Convertible Unsecured Loan Stock, which has a book value of £372,551 (2004: £2,414,522) is quoted on the London Stock Exchange. At 31 March 2005 the market value of this loan stock was £819,612 (2004: £3,802,872).

All other assets and liabilities are carried at fair value.

PART VI

FINANCIAL INFORMATION ON THE BALTIMORE GROUP

(A) FINANCIAL INFORMATION ON BALTIMORE UNDER OLD UK GAAP FOR THE YEARS ENDED 31 DECEMBER 2004 AND 2005

Nature of financial information

The financial information set out in this Part VI (A) has been extracted without material adjustment from the annual accounts of Baltimore for the year ended 31 December 2005. The financial information in this Part VI (A) does not form the annual accounts of Baltimore.

The consolidated accounts of Baltimore for the year ended 31 December 2005 were audited by BDO Stoy Hayward LLP of 8 Baker Street, London, W1U 3LL. BDO Stoy Hayward is a member of the Institute of Chartered Accountants in England and Wales. The auditor's opinion in respect of the year ended 31 December 2005 was unqualified and did not contain a statement under Section 237 of the Act.

“Audit Report for the year ended 31 December 2005

“Report of the independent auditors to the shareholders of Baltimore plc

We have audited the group and parent company financial statements of Baltimore plc for the year ended 31 December 2005 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors’ Responsibilities the company’s directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors’ Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors’ remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Directors’ Report and the Chairman’s Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group’s and the parent company’s affairs as at 31 December 2005 and of the group’s profit for the year then ended; and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP
Chartered Accountants, Registered Auditor
London
30 March 2006”

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE TWO YEARS ENDED 31 DECEMBER 2005

	Notes	*2005* *£'000*	*2004* *£'000*
Turnover	2	–	1,083
Cost of sales		–	(413)
Gross profit		–	670
Administrative expenses (including exceptional credits of £2,015,000 (2004: £nil)	3	(582)	(8,884)
Operating loss	3	(582)	(8,214)
Profit on sale of investments	11	–	1,768
Interest receivable and similar income	6	929	1,060
Amounts written off investments	10	(94)	–
Interest payable and similar charges	6	(56)	–
Profit/(loss) on ordinary activities before taxation		197	(5,386)
Tax on profit/(loss) on ordinary activities	7	(10)	71
Profit/(loss) for the year retained for equity shareholders		187	(5,315)
Basic and diluted earnings per share	8	0.50p	(13.01)p

All amounts relate to continuing activities

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

	Notes	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	9	1,005	1,008
Investments	10	2,677	–
		3,682	1,008
Current assets			
Debtors – due within one year	12	2,887	1,438
Debtors – due after more than one year	12	672	3,190
Cash at bank and in hand		13,366	21,683
		16,925	26,311
Creditors: amounts falling due within one year	13	(2,601)	(4,689)
Net current assets		14,324	21,622
Total assets less current liabilities		18,006	22,630
Provisions for liabilities and charges	14	(1,660)	(5,939)
Net assets		16,346	16,691
Capital and reserves			
Called up share capital	17	538	538
Share premium account	17	377,306	377,149
Shares to be issued	17	–	157
ESOP reserve	17	(544)	(12)
Warrant reserve	17	–	724
Profit and loss account	17	(360,954)	(361,865)
Shareholders' Funds – Equity	17	16,346	16,691

BALANCE SHEETS OF BALTIMORE PLC AS 31 DECEMBER

	Notes	2005 £'000	2004 £000
Fixed assets			
Investments	10	2,677	–
Current assets			
Debtors – due within one year	12	2,773	414
Debtors – due after more than one year	12	470	3,190
Cash at bank and in hand		12,605	17,404
		15,848	21,008
Creditors: amounts falling due within one year	13	(525)	(1,706)
Net current assets		15,323	19,302
Total assets less current liabilities		18,000	19,302
Net assets		18,000	19,302
Capital and reserves			
Called up share capital	17	538	538
Share premium account	17	377,306	377,149
Shares to be issued	17	–	157
ESOP reserve	17	(544)	(12)
Warrant reserve	17	–	724
Profit and loss account	17	(359,300)	(359,254)
Shareholders' Funds – Equity	17	18,000	19,302

CONSOLIDATED CASHFLOW STATEMENT FOR THE TWO YEARS ENDED 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
Net cash outflow from operating activities	21(a)	(5,874)	(7,791)
Returns on investments and servicing of finance	21(b)	873	866
Taxation	21(b)	(13)	85
Capital expenditure and financial investments	21(b)	(2,771)	(8)
Acquisitions and disposals	21(b)	–	3,856
Net cash outflow before financing		(7,785)	(2,992)
Financing	21(b)	(532)	–
Decrease in cash in the year	21(c)	(8,317)	(2,992)

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

	Notes	2005 £'000	2004 £'000
Decrease in cash in the year		(8,317)	(2,992)
Conversion of redeemable loan notes		–	174
Movement in net funds in the year		(8,317)	(2,818)
Net funds brought forward	21(c)	21,683	24,501
Net funds carried forward	21(c)	13,366	21,683

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Notes	2005 £'000	2004 £'000
Group			
Profit/(loss) for the year	17	187	(5,315)
Purchase of shares by ESOP	17	(532)	–
Exchange Differences		–	(718)
Conversion of unsecured loan notes		–	174
Net decrease in shareholders' funds		(345)	(5,859)
Opening Shareholders' funds	17	16,691	22,550
Closing shareholders' funds	17	16,346	16,691

	Notes	2005 £'000	2004 £'000
Company			
Loss for the year	17	(770)	(661)
Purchase of shares by ESOP	17	(532)	–
Conversion of redeemable loan notes		–	174
Net decrease in shareholders' funds		(1,302)	(487)
Opening Shareholders' funds	17	19,302	19,789
Closing shareholders' funds	17	18,000	19,302

Statement of total recognised gains and losses

	Notes	2005 £'000	2004 £'000
Group			
Profit/(loss) for the financial period		187	(5,315)
Exchange Differences		–	(718)
Total recognised gains/ (losses) relating to the financial period		187	(6,033)

NOTES TO THE ACCOUNTS
for the two years ended 31 December 2005

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Group.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

A summary of significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of the parent Company and its subsidiaries. The results of subsidiary undertakings and businesses acquired or disposed of are included in the consolidated profit and loss from or to the date on which control passes. Acquisitions are accounted for under the acquisition method.

Investments

Fixed asset investments are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised in the profit and loss account.

Goodwill and intangible assets

On the acquisition of a business, fair values are attributed to the separable net assets acquired, including intangible assets. Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of such net assets. Goodwill arising on acquisitions is capitalised.

Tangible fixed assets and depreciation

Depreciation is provided by the Group to write off the cost less the estimated residual value of tangible fixed assets, except freehold land, over their estimated useful economic lives as follows:

Office equipment	2-5 years
Freehold land and buildings	Depreciation is provided over 50 years except where the charge arising is not material, then no charge is made

Leases

All leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Vacant property provision

Where leased premises are vacant, lease liabilities are calculated and provided for.

Pensions

The Group contributes to personally held pension schemes for the benefit of employees. Group contributions are charged to the profit and loss account in the year in which they are incurred.

Employee share option plans

When shares and share options are granted to employees a charge is made to the Group profit and loss account and a reserve created in capital and reserves to record the intrinsic value of the awards in accordance with UITF Abstract 17 (revised 2003) 'Employee Share Schemes'.

Shares held by the Company's Employee Benefit Trust ("EBT") are recorded in the Employee Share Option Plan ("ESOP") reserve, which is deducted from shareholders' funds in the balance sheets of the Company and the Group at cost. At 31 December 2005, the EBT held 53,109 shares (2004: 9,432 shares at a nominal value of £11,790) at a nominal value of £66,386. Shares are held under option to employees and are distributed only on exercise of these options. Any costs incurred in relation to the administration of the EBT are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered. Deferred tax balances are not discounted.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Profits and losses of overseas subsidiaries are translated into pounds sterling at average rates of exchange during the period with the adjustment to closing rates at the period end being taken to reserves. Gains and losses arising on the translation of the net assets of overseas subsidiaries are also taken to consolidated reserves.

Revenue recognition

Turnover is derived wholly from the provision of information security solutions. For the provision of products, revenue is recognised upon customer acceptance and, for systems and services, as the work performed. Income from maintenance fees is recognised rateably on a time basis over the period of the agreement.

Financial instruments

The introduction of FRS25 – 'Financial Instruments' has no impact in the current year. The Group has taken advantage of the exemption to restate the comparative period balances. The Company owns two Contracts For Difference (CFDs) with fully capitalised positions in respect of the shares held in the underlying instruments, which the directors consider appropriate to classify as investments in the balance sheet.

2. ANALYSIS OF TURNOVER

All figures are stated after elimination of inter-company balances and transactions and relate to discontinued operations.

	2005 £'000	2004 £'000
By geographical market		
United Kingdom and Ireland	–	543
Rest of Europe	–	418
Rest of the World	–	122
		1,083
By origin		
United Kingdom and Ireland	–	975
Rest of Europe	–	41
Rest of the World	–	67
		1,083

3. OPERATING LOSS

	2005 £'000	2004 £'000
Operating loss is stated after charging:		
Depreciation of tangible fixed assets	3	17
Impairment of fixed assets	–	580
Impairment of fixed asset investment	94	–
Auditor's remuneration:		
Audit fees	50	34
Non-audit fees	47	285
Hire of plant and machinery – operating leases	–	11
Hire of other assets – operating leases	1,339	2,330
Operating loss is stated after crediting:		
Release of surplus property provision	2,015	–
Rental Income	940	1,156

Details of operating lease payments are included in note 20.

4. DIRECTORS REMUNERATION

	2005 £'000	2004 £'000
Directors' emoluments	793	1,555
Company contributions to money purchase pension schemes	24	35
	817	1,590

The emoluments of the highest paid Director were £394,000 (2004: £216,000). Company pension contributions of £10,000 (2004: £5,000) were made to a money purchase scheme on his behalf.

	Number of directors 2005	 2004
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	4

	2005	2004
The Directors serving at 31 December 2005 held the following share options exercisable at £17.50 per share:		
D J Buchler	15,000	–
T J C Lovell	8,500	–
C D Soukup	21,500	–
C R Wallis	8,500	–
T A E Wardale	5,000	–

5. EMPLOYEES

	2005 £'000	2004 £'000
Wages and salaries	1,141	1,710
Social security costs	132	164
Pension costs	59	62
	1,332	1,936

The average number of persons employed by the Group, including Directors, during the period, was 10 (2004:12).

6. INTEREST

	2005 £'000	2004 £'000
Interest receivable and similar income		
On cash deposits	929	866
Exchange gain on cash deposits	–	194
	929	1,060

	2005 £'000	2004 £'000
Interest payable and similar charges		
Bank charges	37	–
Exchange losses	19	–
	56	–

7. TAXATION

Analysis of charge/(credit) in the year

	2005 £'000	2004 £'000
Foreign tax		
Current tax on income for the year	–	2
Adjustment in respect of prior years	10	(73)
Total current tax	10	(71)
Tax on profit/(loss) on ordinary activities	10	(71)

Deferred Taxation

No amounts have been provided for deferred taxation. See note 15 for further deferred tax information.

Factors affecting the tax charge for the current year

The current tax charge for the period is lower (2004:lower) than the standard rate of corporation tax in the UK (30%) (2004: 30%). The differences are explained below.

	2005 *£'000*	*2004* *£'000*
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	197	(5,386)
Current tax at 30% (2004: 30%)	59	(1,615)
Effects of:		
Expenses not deductible for tax purposes	138	1,043
Utilisation of tax losses	(352)	(1,014)
Current year tax losses carried forward	155	1,831
Higher tax rates on overseas earnings	–	31
Other timing differences	–	(276)
Adjustments to tax charge in respect of previous years	10	(73)
Current tax on income for the year	–	2
Total current tax charge/(credit)	10	(71)

8. EARNINGS PER SHARE

Earnings per ordinary share (EPS) have been calculated using the weighted average number of shares in issue during the year.

	2005	*2004*
Earnings/(loss) used for calculation of basic EPS	£187,000	(£5,315,000)
No of shares used for calculation of basic EPS	377,562	408,419
Basic and diluted EPS	0.50p	(13.01)p

There is no material difference between the basic earnings per share and diluted earnings per share calculation.

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings *£'000*	*Office equipment* *£'000*	*Total* *£'000*
Group			
Cost			
At 31 December 2004 and 2005	2,246	8	2,254
Depreciation			
At 31 December 2004	1,246	–	1,246
Charge for the year	–	3	3
At 31 December 2005	1,246	3	1,249
Net book value			
At 31 December 2005	1,000	5	1,005
At 31 December 2004	1,000	8	1,008

10. FIXED ASSET INVESTMENTS

	Other Investments £'000
Group	
Cost	
At 31 December 2004	–
Additions	2,771
At 31 December 2005	2,771
Impairment	
At 31 December 2004	–
Charge for the year	94
At 31 December 2005	94
Net book value	
At 31 December 2005	2,677
At 31 December 2004	–

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Other Investments £'000	Total £'000
Company				
Cost				
At 31 December 2004	695,857	657	–	696,514
Additions	–	–	2,771	2,771
At 31 December 2005	695,857	657	2,771	699,285
Impairment				
At 31 December 2004	695,857	657	–	696,514
Charge for the year	–	–	94	94
At 31 December 2005	695,857	657	94	696,608
Net book value				
At 31 December 2005	–	–	2,677	2,677
At 31 December 2004	–	–	–	–

Subsidiary undertakings

At 31 December 2005, the Company had the following principal subsidiary undertakings:

	Country of Incorporation	Principal activity during 2005	Class and percentage of shares held and voting rights
Baltimore Technologies Ltd	Ireland	Holding company	100% of ordinary shares
Baltimore Technologies (UK) Ltd	United Kingdom	See note below	100% of ordinary shares

Following disposals of their trade and assets in 2003, the Group's subsidiaries no longer trade and activity during 2005 comprises necessary formal administration.

Other investments

Other investments include holdings in Acquisitor Holdings Limited, Television Corporation plc and Bavaria Industries AG.

11. DISPOSALS OF BUSINESSES AND SUBSIDIARY UNDERTAKINGS

The company disposed of no businesses or subsidiary undertakings during 2005.

During 2004, the Company disposed of three holdings; Baltimore Technologies Japan, Baltimore Technologies Investments Limited and earthport plc, realising gains on disposal of £154,000, £1,564,000 and £50,000 respectively.

12. DEBTORS

	2005	*2004*
	£'000	*£*
Group		
Due within one year:		
Other debtors	63	1,255
Deposits on leased premises	2,566	–
Prepayments and accrued income	258	183
	2,887	1,438
Due after more than one year:		
Deposits on leased premises	–	3,190
Other debtors	672	–
	672	3,190

	2005	*2004*
	£'000	*£*
Company		
Due within one year:		
Other debtors	50	330
Deposits on leased premises	2,565	–
Prepayments and accrued income	158	84
	2,773	414
Due after more than one year:		
Deposits on leased premises	–	3,190
Other debtors	470	–
	470	3,190

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	*2004*
	£'000	*£*
Group		
Trade creditors	470	690
Corporation tax	–	3
Other taxes and social security	274	390
Accruals	1,857	3,606
	2,601	4,689

	2005 £'000	2004 £
Company		
Trade creditors	146	370
Other taxes and social security	–	65
Accruals	379	1,271
	525	1,706

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Vacant property provision £'000
Group	
At 31 December 2004	5,939
Provision utilised in the year	(2,264)
Release of surplus provision	(2,015)
At 31 December 2005	1,660

Provisions for liabilities and charges at 31 December 2005 represent the value of rents due in respect of the vacant property in Dublin. The lease was surrendered on 8 February 2006.

15. DEFERRED TAX

The Group's deferred tax assets are as follows:

	Trading losses £'000	*Capital losses £'000*	*Total deferred tax assets £'000*
Total deferred tax asset at 1 January 2005	10,005	63,405	73,410
Tax losses utilised in the year	(352)	–	(352)
Total deferred tax asset at 31 December 2005	9,653	63,405	73,058

The Company's deferred tax assets are as follows:

	Trading losses £'000	*Capital losses £'000*	*Total deferred tax assets £'000*
As at 31 December 2004 and 31 December 2005	–	63,405	63,405

Deferred tax assets are recognised only to the extent that it is regarded as probable that they will be recovered.

16. CALLED UP SHARE CAPITAL

	2005	*2004*
Authorised		
Ordinary shares of 125p each – number	640,000	640,000
Ordinary shares of 125p each – value	£800,000	£800,000

	2005	*2004*
Allotted, called up and fully paid		
Ordinary shares of 125p each – number	430,671	430,647
Ordinary shares of 125p each – value	£538,339	£538,309

17. SHARE CAPITAL AND RESERVES

	Share capital £'000	*Share premium £'000*	*Shares to be issued £'000*	*ESOP reserve £'000*	*Warrant reserve £'000*	*Profit and loss account £'000*	*Total £'000*
Group							
At 31 December 2004	538	377,149	157	(12)	724	(361,865)	16,691
Purchase of shares by ESOP	–	–	–	(532)	–	–	(532)
Profit for the year	–	–	–	–	–	187	187
Conversion of shares	–	157	(157)	–	–	–	–
Release of warrant reserve	–	–	–	–	(724)	724	–
At 31 December 2005	538	377,306	–	(544)	–	(360,954)	16,346

	Share capital £'000	*Share premium £'000*	*Shares to be issued £'000*	*ESOP reserve £'000*	*Warrant reserve £'000*	*Profit and loss account £'000*	*Total £'000*
Company							
At 31 December 2004	538	377,149	157	(12)	724	(359,254)	19,302
Purchase of shares by ESOP	–	–	–	(532)	–	–	(532)
Profit for the year	–	–	–	–	–	(770)	(770)
Conversion of shares	–	157	(157)	–	–	–	–
Release of warrant reserve	–	–	–	–	(724)	724	–
At 31 December 2005	538	377,306	–	(544)	–	(359,300)	18,000

Conversion of shares

During 2005, 24 shares in Baltimore plc were issued to shareholders of Baltimore Technologies Inc. as a result of the early redemption of the outstanding Nevex Exchangeable Shares issued in connection with the acquisition of the entire issued share capital of Nevex Inc. in 2000.

Warrant Reserve

During 2005, the remaining options lapsed and the remaining value of £724,000 was released from the warrant reserve to the profit and loss account. The reserve related to the acquisition on Content Technologies Holdings Limited (Content) and Nevex in October 2000.

18. SHARE OPTIONS

The Directors consider that carefully chosen share incentive plans for employees benefit the long-term growth of the Group.

The Company currently has 4 different Share Option Plans. An analysis of the movements in the number of options outstanding granted under the different share option schemes is as follows:

	2005		*2004*	
	Number of shares	*Weighted average exercise price £*	*Number of shares*	*Weighted average exercise price £*
Number of share options outstanding at beginning of year	10,613	725.99	32,304	681.75
Granted	41,500	17.50	–	–
Exercised	(2,456)	0.00	(5,866)	0.00
Cancelled / lapsed	(3,076)	1,349.49	(15,825)	902.05
Number of share options outstanding at end of year	46,581	91.89	10,613	725.99
Options exercisable at year end	45,389	94.30	5,690	1354.12

The weighted average remaining life of the 45,389 options exercisable at year end is 3.08 years.

Exercise period and exercise price ranges

	Number of shares	*Exercise price*	*Before conversion (1.0p shares)*	*Exercise period*
Exercise period and exercise price ranges	45,389	£0.00 – £7,937.50	£0.00 – £68.10	01.06.00 – 16.12.12

The market price of shares at 31 December 2005 was £17.50 (2004: £17.85).

19. CONTINGENT LIABILITIES

The Group has no material contingent liabilities.

20. COMMITMENTS UNDER OPERATING LEASES

Total rentals under operating leases charged to the profit and loss account were as follows:

	2005 £'000	*2004 £'000*
Group		
Hire of plant and machinery	–	11
Land and buildings	1,339	2,330
	1,339	2,341

Annual commitments under operating leases to pay rentals during the year following the year end analysed according to the period in which each lease expires were as follows:

	Land and buildings	
	2005	*2004*
	£'000	*£'000*
Expiring within one year	44	–
Expiring in years two to five	–	337
Expiring in greater than five years	–	1,665
	44	2,002

Company

The Company has no annual commitments under non-cancellable operating leases.

21. NOTES TO ACCOMPANY CASH FLOW STATEMENT

(a) Reconciliation of operating loss to net cash flow from operating activities

	2005	*2004*
	£'000	*£'000*
Operating loss	(582)	(8,214)
Depreciation of tangible fixed assets	3	17
Impairment of tangible fixed assets	–	580
(Decrease)/increase in provisions	(4,279)	1,752
Decrease in debtors	1,069	1,048
(Decrease) in creditors	(2,085)	(2,974)
Net cash outflow from operating activities	(5,874)	(7,791)

(b) Analysis of amounts on the cash flow statement

	2005	*2004*
	£'000	*£'000*
Returns on investment and servicing of finance		
Interest received	929	866
Interest paid on bank loans, overdrafts and all other loans	(56)	–
Net cash inflow from returns on investment and servicing of finance	873	866
Taxation		
Corporation tax paid	(13)	85
Net cash (outflow)/inflow from taxation	(13)	85
Capital expenditure and financial investments		
Purchase of tangible fixed assets	–	(10)
Disposal of fixed assets	–	2
Purchase of investments	(2,771)	–
Net cash (outflow)/inflow from capital expenditure and financial investments	(2,771)	(8)
Acquisitions and disposals		
Disposal of trade and assets/subsidiary undertakings	–	4,294
Expenses on disposal of trade and assets/subsidiary undertakings	–	(438)
Net cash inflow from acquisitions and disposals	–	3,856
Financing		
Shares acquired by ESOP	(532)	–
Net cash outflow from financing	(532)	–

(c) Analysis of net funds/(debt)

	Cash at bank
	£'000
At 31 December 2004	21,683
Cash flow	(8,317)
At 31 December 2005	13,366

22. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash at hand and in bank and various items such as trade debtors and trade creditors that relate to operational activity from prior periods. The Group entered into Contracts For Difference (CFDs) with fully capitalised positions in respect of the shares held in Television Corporation plc and Acquisitor Holdings Limited.

Interest rate risk

The Group is not exposed to interest rate fluctuations as it has no borrowings. The Group aims to maximise returns from funds held on deposit.

Foreign currency risk

The Group has one significant exposure to fluctuations being the €3.5m rent deposit held against a property in Dublin. As at 31 December 2005 the currency exposure is fully hedged with a forward contract to sell €3.5m expiring 15 February 2006 (fair value as at 31 December 2005 was £2,416,470). The Group's earnings may be affected by changes in interest rates available on its cash deposits.

Liquidity risk

Quotations are obtained from a number of major UK banks and funds are allocated accordingly for varying periods.

23. POST BALANCE SHEET EVENTS

On 8 February 2006, the lease on the property in Dublin was surrendered. All of the related costs and expenses were fully provided at 31 December 2005. The rent guarantee of €3.5m was released on 15 February 2006.

On 27 February 2006, the following occurred:

i) the Company's authorised and issued share capital was sub-divided on the basis of 100 new Ordinary Shares for each existing Ordinary Share.

ii) the Company acquired Acquisitor Holdings Limited (each Acquisitor share – 1.89 New Ordinary Shares in Baltimore plc; 49,079,575 shares converting to 92,760,389 New Ordinary Shares.)

iii) the Company acquired New York Holdings Limited (for every two NYH shares – one New Ordinary Shares in Baltimore plc or cash alternative of 8p for each NYH share; elected 19,426,239 New Ordinary Shares for non acceptance of cash alternative and a cash alternative consideration of £2,490,341 for cash option; and

iv) trading of the Company's shares on the Alternative Investment Market (AIM) of the London Stock Exchange commenced.

24. RELATED PARTIES TRANSACTIONS

Acquisitor Holdings Limited

Messrs T J C Lovell and C D Soukup were directors of Acquisitor Holdings Limited. During the year, the company received a reimbursement of £150,000 (2004: £nil) from Acquisitor Holdings Limited in respect of costs incurred in 2004.

New York Holdings Limited

Mr C D Soukup was a director of New York Holdings Limited. During the year, the Company was charged £334,359 (2004: £nil) by New York Holdings Limited in respect of services received. At 31 December 2005, accruals included £55,000 (2004: £163,822) due to New York Holdings Limited.

DB Consultants Limited

Mr D J Buchler is a director of DB Consultants Limited. DB Consultants Limited received fees totalling £140,000 (2004: £26,484) in respect of the services of D J Buchler to the Company during the year. At 31 December 2005, accruals included £100,000 (2004: £100,000) due to DB Consultants Limited."

(B) FINANCIAL INFORMATION ON BALTIMORE UNDER OLD UK GAAP FOR THE YEARS ENDED 31 DECEMBER 2003 AND 2004

Nature of financial information

The financial information set out in this Part VI (B) has been extracted without material adjustment from the annual accounts of Baltimore for the years ended 31 December 2003 and 2004. The financial information in this Part VI (B) does not form the annual accounts of Baltimore.

The consolidated accounts of Baltimore for the year ended 31 December 2003 were audited by KPMG Audit Plc of Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD. KPMG Audit Plc is a member of the Institute of Chartered Accountants in England and Wales.

The consolidated accounts of Baltimore for the year ended 31 December 2004 were audited by BDO Stoy Hayward LLP of 8 Baker Street, London, W1U 3LL. BDO Stoy Hayward is a member of the Institute of Chartered Accountants in England and Wales.

The auditors' reports in respect of the years ended 31 December 2003 and 2004 were unqualified and did not contain a statement under Section 237 of the Act.

Audit Report for the year ended 31 December 2003

"Report of the independent auditors to the members of Baltimore Technologies plc

We have audited the financial statements on pages 47 to 98. We have also audited the information in the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report and the directors' remuneration report. As described on page 45, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the statement on page 33 reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement and the unaudited part of the directors' remuneration report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the directors' remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements and the part of the directors' remuneration report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the directors' remuneration report to be audited.

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2003 and of the profit of the group for the year then ended; and
- The financial statements and the part of the directors' remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants, Registered Auditor
Reading, England
16 April 2004"

Audit Report for the year ended 31 December 2004

"Report of the independent auditors to the members of Baltimore plc

We have audited the financial statements of Baltimore plc for the year ended 31 December 2004 on pages 5 to 26 which have been prepared under the accounting policies set out on pages 11 to 12.

Respective responsibilities of Directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2004 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP
Chartered Accountants, Registered Auditor
8 Baker Street, London W1U 3LL
20 July 2005"

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE TWO YEARS ENDED 31 DECEMBER 2004

	Notes	*Year to 31 December 2004 £'000*	*Year to 31 December 2003 £'000*
Turnover	2	1,083	18,171
Cost of sales		(413)	(8,100)
Gross Profit		670	10,071
Administrative expenses (*including exceptional expenses* of £nil (2003:£9,312,000))		(8,884)	(29,176)
Operating loss	3	(8,214)	(19,105)
Profit on sale of businesses		–	25,207
Profit on sale of investments	10	1,768	–
Interest receivable and similar income	6	1,060	1,260
Interest payable and similar charges	6	–	(62)
(Loss)/profit on ordinary activities before taxation		(5,386)	7,300
Tax on (loss)/profit on ordinary activities	7	71	(40)
(Loss)/profit for the year retained for equity shareholders		(5,315)	7,260

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

	Notes	*Year to 31 December 2004 £'000*	*Year to 31 December 2003 Restated £'000*
Fixed assets			
Tangible assets	8	1,008	1,597
Investments	9	–	2,088
		1,008	3,685
Current assets			
Debtors – due within one year	11	1,438	2,210
Debtors – due after more than one year	11	3,190	3,453
Cash at bank and in hand		21,683	24,675
		26,311	30,338
Creditors: amounts falling due within one year	12	(4,689)	(6,794)
Net current assets		21,622	23,544
Total assets less current liabilities		22,630	27,229
Provisions for liabilities and charges	13	(5,939)	(4,679)
Net assets		16,691	22,550
Capital and reserves			
Called up share capital	16	538	538
Share premium account	16	377,149	376,054
Shares to be issued	16	157	1,078
ESOP reserve	16	(12)	(19)
Warrant reserve	16	724	21,501
Profit and loss account	16	(361,865)	(376,602)
Shareholders' funds - equity	16	16,691	22,550

BALANCE SHEETS OF BALTIMORE PLC AT 31 DECEMBER

	Notes	*Year to 31 December 2004 £'000*	*Year to 31 December 2003 £'000*
Fixed assets			
Investments	9	–	2,088
Current assets			
Debtors – due within one year	11	414	190
Debtors – due after more than one year	11	3,190	3,175
Cash at bank and in hand		17,404	15,058
		21,008	18,423
Creditors: amounts falling due within one year	12	(1,706)	(722)
Net current assets		19,302	17,701
Total assets less current liabilities		19,302	19,789
Net assets		19,302	19,789
Capital and reserves			
Called up share capital	16	538	538
Share premium account	16	377,149	376,054
Shares to be issued	16	157	1,078
ESOP reserve	16	(12)	(19)
Warrant reserve	16	724	21,501
Profit and loss account	16	(359,254)	(379,363)
Shareholders' funds - Equity	16	19,302	19,789

CONSOLIDATED CASH FLOW STATEMENT FOR THE TWO YEARS ENDED 31 DECEMBER 2004

	Notes	*Year to 31 December 2004 £'000*	*Year to 31 December 2003 £'000*
Net cash outflow from operating activities	20(a)	(7,791)	(12,357)
Returns on investments and servicing of finance	20(b)	866	67
Taxation		85	(23)
Capital expenditure and financial investments	20(b)	3,848	20,116
Net cash (outflow)/inflow before financing		(2,992)	8,411
Financing	20(b)	–	(1,619)
(Decrease)/increase in cash in the year	20(c)	(2,992)	6,792

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

	Notes	*Year to 31 December 2004 £'000*	*Year to 31 December 2003 £'000*
(Decrease)/increase in cash in the year		(2,992)	6,792
Cashflow from decrease in debt and lease repayments	20(c)	–	384
Change in net funds resulting from cashflows		(2,992)	7,176
Exchange differences		–	(6)
Conversion of redeemable loan notes	20(c)	174	1,555
Movement in net debt in year		(2,818)	8,725
Net funds brought forward	20(c)	24,501	15,776
Net funds carried forward		21,683	24,501

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Group		
(Loss)/profit for the financial period	(5,315)	7,260
Write up of ESOP reserve	–	(19)
Exchange Differences	(718)	(2,622)
Conversion of unsecured loan notes	174	–
Issue of ordinary shares (net of issue costs)	–	104
Release of goodwill previously taken to reserves	–	1,430
Net (decrease)/increase in shareholders' funds	(5,859)	6,153
Opening Shareholders' funds	22,550	16,397
Closing shareholders' funds	16,691	22,550

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Company		
Loss for the financial period	(661)	(2,683)
Write up of ESOP reserve	–	(19)
Conversion of unsecured loan notes	174	–
Issue of ordinary shares (net of issue costs)	–	104
Net decrease to shareholders' funds	(487)	(2,598)
Opening Shareholders' funds	19,789	22,387
Closing shareholders' funds	19,302	19,789

The accompanying notes are an integral part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Group		
(Loss)/profit for the financial period	(5,315)	7,260
Release of warrant reserve	20,777	–
Exchange Differences	(718)	(2,622)
Total recognised gains relating to the financial period	14,744	4,638

The accompanying notes are an integral part of these financial statements.

NOTES TO THE ACCOUNTS

for the two years ended 31 December 2004

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of Baltimore plc ("Baltimore" or the "Company") and its subsidiaries (together the "Group").

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP) and applicable accounting standards.

A summary of significant accounting policies are set out below.

Going Concern

The financial statements have been prepared on a going concern basis. The Group recorded a loss for the year ending 31 December 2004. This was due largely to the costs of the aborted green energy strategy, AGM/EGM costs, defence of litigation claims and increased provisions for vacant property costs. The Directors have prepared and reviewed cash flow projections that show that the Group has sufficient cash to meet its commitments for the foreseeable future, that is, for at least the next twelve months from the date of this report. The Board monitors performance against these projections closely and should any significant deviations occur, they will take the appropriate actions to restore the Groups' cash position.

Basis of consolidation

The consolidated financial statements incorporate those of the parent Company and its subsidiaries. The results of subsidiary undertakings and businesses acquired or disposed of are included in the consolidated profit and loss from or to the date on which control passes. Acquisitions are accounted for under the acquisition method.

Investments

Fixed asset investments are stated at cost. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised in the profit and loss account.

Goodwill and intangible assets

On the acquisition of a business, fair values are attributed to the separable net assets acquired, including intangible assets. Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of such net assets. Goodwill arising on acquisitions from 1 May 1997 is capitalized and amortised over its estimated useful life of three to five years. The Group's policy up to and including 30 April 1997 was to eliminate goodwill arising upon acquisitions against reserves. Under the provisions of Financial Reporting Standard 10 – Goodwill and Intangible Assets' – such goodwill remains eliminated against reserves until disposal or termination of the previously acquired business, when the profit or loss on disposal or termination will be calculated after charging the gross amount of any such goodwill.

Tangible fixed assets and depreciation

Depreciation is provided by the Group to write off the cost less the estimated residual value of tangible fixed assets, except freehold land, over their estimated useful economic lives as follows:

Freehold land and buildings	50 years
Office equipment	2-5 years

Leases

All leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The Group contributes to defined contribution pension schemes for the benefit of employees. The assets of the schemes are held separately from those of the Group in independently administered funds. Group contributions are charged to the profit and loss account in the year in which they are incurred.

Employee share option plans

The cost less impairment in value of awards to employees that take the form of shares or rights to shares is recognised over the period of the employees' related performances. The cost represents the difference between the option exercise price and the market value of the shares at the date of grant of the option. Where there are no performance criteria, the cost is recognised over the period from granting the option to when the employee becomes unconditionally entitled to the shares. This cost is included in administrative expenses.

The 2003 figures in the financial statements have been restated to reflect the adoption of Urgent Issues Task Force 38 (UITF 38) – Accounting for ESOP (Employee Share Ownership Plans) trusts. Investment in own shares, which was previously disclosed within fixed assets, is now classified as an ESOP reserve and is shown as a reduction in the shareholders funds.

Shares held by the Company's Employee Benefit Trust ("EBT") are recorded in the Employee Share Option Plan ("ESOP") reserve in the consolidated financial statements of the Company and the Group at cost less any impairment. At 31 December 2004, the EBT held 9,432 shares (2003: 3,579,958 shares of £0.01) at a nominal value of £11,789. In addition, the EBT holds 13,800 shares (2003: 1,725,000 shares of £0.01), which were expensed through the Profit and Loss Account in previous periods. Shares are held under option to employees and are distributed only on exercise of these options. Any costs incurred in relation to the administration of the EBT are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered. Deferred tax balances are not discounted.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Profits and losses of overseas subsidiaries are translated into pounds sterling at average rates of exchange during the period with the adjustment to closing rates at the period end being taken to reserves. Gains and losses arising on the translation of the net assets of overseas subsidiaries are also taken to consolidated reserves.

Revenue recognition

Turnover is derived wholly from the provision of information security solutions. For the provision of products, revenue is recognised upon customer acceptance and, for systems and services, as the work performed. Income from maintenance fees is recognised rateably on a time basis over the period of the agreement.

2. ANALYSIS OF TURNOVER

All figures are stated after elimination of intercompany balances and transactions and relate to discontinued operations.

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
By geographical market		
United Kingdom and Ireland	543	6,137
Rest of Europe	418	5,901
Rest of the World	122	6,133
	1,083	18,171
By origin		
United Kingdom and Ireland	975	14,348
Rest of Europe	41	1,208
Rest of the World	67	2,615
	1,083	18,171

3. OPERATING LOSS

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Operating loss is stated after charging:		
Amortisation of goodwill and intangible assets	–	4,582
Impairment of investments	–	4,132
Depreciation of tangible fixed assets	17	2,384
Impairment of fixed assets	580	2,992
Auditor's remuneration:		
Audit fees	34	484
Non-audit fees	285	283
Research and development costs	–	6,325
Operating loss is stated after crediting:		
Rental Income	1,156	974

Details of operating lease payments are included in note 19.

4. DIRECTORS

Directors' emoluments

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Directors' emoluments	1,555	1,103
Company contributions to money purchase pension schemes	35	56
	1,590	1,159

Included in Directors' emoluments is an aggregate amount of £515,000 (2003: £155,000) in payment of compensation for loss of office.

The aggregate of emoluments of the highest paid Director was £216,000 (2003: £312,000). Company pension contributions of £5,000 (2003: £29,000) were made to a money purchase scheme on his behalf.

	Number of directors 2004	*2003*
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	4	3

The Directors serving at 31 December 2004 held no share options.

5. EMPLOYEES

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Wages and salaries	1,710	10,222
Social security costs	164	1,298
Pension costs	62	554
	1,936	12,074

The average number of persons employed by the Group, including Directors, during the period, was 12 (2003: 223).

6. INTEREST

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Interest receivable and similar income		
On cash deposits	866	835
Exchange gain on cash deposits	194	425
	1,060	1,260

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
Interest payable and similar charges		
On bank loans and overdrafts	–	44
Finance charges payable in respect of mortgage	–	11
Finance charges payable in respect of finance leases and hire purchase contracts	–	7
	–	62

7. TAXATION

Analysis of (credit)/charge in period

	Year to 31 December 2004 £'000	Year to 31 December 2003 £'000
UK Corporation tax		
Adjustments in respect of prior periods	–	(74)
Foreign tax		
Current tax on income for the period	2	–
Adjustment in respect of prior periods	(73)	114
Total current tax	(71)	40
Tax on (loss)/profit on ordinary activities	(71)	40

Deferred Taxation

No amounts have been provided for deferred taxation. See note 14 for further deferred tax information.

Factors affecting the tax charge for the current year

The current tax charge for the period is lower (2003: lower) than the standard rate of corporation tax in the UK (30%) (2003: 30%). The differences are explained below.

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(5,386)	7,300
Current tax at 30% (2003: 30%)	(1,615)	2,190
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation and impairment)	1,043	2,055
Utilisation of tax losses	(1,014)	(4,595)
Current year tax losses carried forward	1,831	2,186
Higher/(lower) tax rates on overseas earnings	31	(1,836)
Other timing differences	(276)	–
Adjustments to tax charge in respect of previous periods	(73)	40
Current tax on income for the period	2	–
Total current tax charge/(credit)	(71)	40

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	*Office equipment £'000*	*Total £'000*
Group			
Cost			
At 31 December 2003	2,230	16	2,246
Reclassification	16	(16)	–
Additions	–	10	10
Disposals	–	(2)	(2)
At 31 December 2004	2,246	8	2,254
Depreciation			
At 31 December 2003	648	1	649
Reclassification	1	(1)	–
Charge for the year	17	–	17
Impairment	580	–	580
At 31 December 2004	1,246	–	1,246
Net book value			
At 31 December 2004	1,000	8	1,008
At 31 December 2003	1,582	15	1,597

9. FIXED ASSET INVESTMENTS

	Investment in own shares £'000	*Other Investments £'000*	*Total £'000*
Group			
Cost			
At 31 December 2003	1,019	2,403	3,422
Transfer under UITF 38 to ESOP reserve	(1,019)	–	(1,019)
At 31 December 2003 - restated	–	2,403	2,403
Disposal	–	(2,403)	(2,403)
At 31 December 2004	–	–	–
Impairment			
At 31 December 2003	1,000	315	1,315
Transfer under UITF 38 to ESOP reserve	(1,000)	–	(1,000)
At 31 December 2003 – restated	–	315	315
Disposal	–	(315)	(315)
At 31 December 2004	–	–	–
Net book value			
At 31 December 2004	–	–	–
At 31 December 2003 – restated	–	2,088	2,088

The 2003 accounts have been restated to reflect the adoption of Urgent Issues Task Force 38 (UITF 38) Accounting for ESOP (Employee Share Ownership Plans) trusts. Investment in own shares, which was previously disclosed within fixed assets, is now classified as an Employee Benefit Trust (EBT) reserve and is shown in the shareholders' funds.

	Shares in subsidiary undertakings £'000	*Loans to subsidiary undertakings £'000*	*Investment in own shares £'000*	*Other Investments £'000*	*Total £'000*
Company					
Cost					
At 31 December 2003	695,857	657	1,019	2,088	699,621
Transfer under UITF38	–	–	(1,019)	–	(1,019)
At 31 December 2003 – restated	695,857	657	–	2,088	698,602
Disposals	–	–	–	(2,088)	(2,088)
At 31 December 2004	695,857	657	–	–	696,514
Impairment					
At 31 December 2003	695,857	657	1,000	–	697,514
Transfer under UITF38	–	–	(1,000)	–	(1,000)
At 31 December 2003 – restated	695,857	657	–	–	696,514
At 31 December 2004	695,857	657	–	–	696,514
Net book value					
At 31 December 2004	–	–	–	–	–
At 31 December 2003 – restated	–	–	–	2,008	2,008

Subsidiary undertakings

At 31 December 2004, the Company had the following principal subsidiary undertakings:

	Country of Incorporation	*Principal activity during 2004*	*Class and percentage of shares held and voting rights*
Baltimore Technologies Ltd	Ireland	Holding company	100% of ordinary shares
Baltimore Technologies (UK) Ltd	United Kingdom	See note below	100% of ordinary shares
Security Domain (Asia/Pacific) Pty Ltd	Australia	See note below	100% of ordinary shares

Baltimore Technologies (UK) Ltd is directly owned by the Company.

Following disposals of trade and assets in 2003, the Group's subsidiaries no longer trade and activity during 2004 comprises necessary formal administration.

10. DISPOSALS OF BUSINESSES AND SUBSIDIARY UNDERTAKINGS

Sale of holding in Baltimore Technologies Japan

The Company's original holding of 62.38% in Baltimore Technologies Japan had been reduced to 19% in 2002 with the sale of 11,000 shares to CGI. On 15 March 2004 the Company reached agreement to sell it's remaining holding to beTRUSTed for £2.25 million.

	£'000
Gross sale proceeds	2,250
Carrying value of net assets	(8)
Net disposal proceeds	2,242
Net book value at 15th March 2004	2,088
Gain on disposal	154

Sale of holding in Baltimore Technologies Investments Limited

On 26 May 2004, the Company sold its 100% holding in Baltimore Technologies Investments Limited for a consideration of £2.0 million in cash before expenses.

	£'000
Gross sale proceeds	2,002
Carrying value of net assets	(438)
Gain on disposal	1,564

Sale of holding in earthport plc

On 20 February 2004 the Company disposed of 1,825,000 shares in earthport plc, which were held by the group, realising £50,036 net cash.

11. DEBTORS

	31 December 2004 £'000	31 December 2003 £'000
Group		
Due within one year:		
Trade debtors	–	1,060
Other debtors	1,255	474
Prepayments and accrued income	183	676
	1,438	2,210
Due after more than one year:		
Amounts in respect of leased premises	3,190	3,453
Company		
Due within one year:		
Other debtors	330	–
Prepayments and accrued income	84	190
	414	190
Due after more than one year:		
Amounts in respect of leased premises	3,190	3,175

The amounts due after more than one year are in respect of cash deposits held by the Company's bankers. These sums are held as collateral for guarantees provided by the bank in respect of property leases.

12. CREDITORS (INCLUDING CONVERTIBLE DEBT): AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2004 £'000	31 December 2003 £'000
Group		
Convertible unsecured loan notes	–	174
Trade creditors	690	1,364
Corporation tax	3	(17)
Other taxes and social security	390	481
Accruals	3,606	4,192
Deferred income from maintenance	–	60
Other deferred income	–	540
	4,689	6,794

	31 December 2004 £'000	31 December 2003 £'000
Company		
Trade creditors	370	–
Corporation tax	–	(15)
Other taxes and social security	65	(93)
Convertible secured loan notes	–	174
Accruals	1,271	656
	1,706	722

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Vacant property provision *£'000*
Group	
At 31 December 2003	4,679
Charge for the year	1,224
Exchange differences	36
At 31 December 2004	5,939

Provisions for liabilities and charges represent the discounted value of rents due in respect of vacant properties.

14. DEFERRED TAX

Group

The Group's deferred tax asset is analysed as follows:

	31 December 2004 Unrecognised *£'000*	*31 December 2003* Unrecognised *£'000*
Deferred tax assets		
Trading losses	10,005	11,596
Capital losses	63,405	145,154
Total deferred tax asset at 31 December 2005	73,410	156,750

Company

The Company's deferred tax asset is analysed as follows:

	31 December 2004 *Unrecognised* *£'000*	*31 December 2003* *Unrecognised* *£'000*
Deferred tax asset		
Capital losses	63,405	145,154

Deferred tax assets are recognised only to the extent that it is regarded as probable that they will be recovered.

15. CALLED UP SHARE CAPITAL

	31 December 2004 £'000	31 December 2003 £'000
Authorised		
Ordinary shares of 125p each (2003: 80,000,000 Ordinary shares of 1.0p each)	640,000	80,000,000
Ordinary shares of 125p each – value	£800,000	£800,000

	31 December 2004 £'000	31 December 2003 £'000
Allotted, called up and fully paid		
Ordinary shares of 125p each (2003: ordinary shares of 1.0p each)	430,647	53,755,408
Ordinary shares of 125p each	£538,000	£538,000

On 20 December 2004, upon shareholder approval, the Company's Ordinary shares were consolidated on a 125:1 basis. All share and per share information has been restated to give effect to this consolidation.

During the year ended 31 December 2004, the Company issued 134 Ordinary shares of nominal value 125p each at an original market value of £6,375.50 (2003: 16,751 Ordinary shares of nominal value 1.0p each at an original market value of £52.30) in exchange for exchangeable shares that had been created on the acquisition of Nevex Software Technologies Inc.

During the year ended 31 December 2004, the Company issued 469 Ordinary shares of 125p each (2003: 58,653 Ordinary shares of 1.0p each) on the conversion of loan notes.

The holder of convertible unsecured loan notes had the right, at any time after the first anniversary of issue (12 January 2000), to require conversion of all or some of the convertible unsecured loan notes into 1p ordinary shares of the Company. All but one loan note holder exercised their right to convert during 2003. On the fifth anniversary of issue (12 January 2004), the remaining loan notes were converted automatically into 469 Ordinary shares of 125p each (2003: 58,653 Ordinary shares of 1.0p each).

16. SHARE CAPITAL AND RESERVES

	Share capital £'000	*Share premium £'000*	*Shares to be issued £'000*	*ESOP reserve £'000*	*Warrant reserve £'000*	*Profit and loss account £'000*	*Total £'000*
Group							
At 31 December 2003	538	376,054	1,078	–	21,501	(376,602)	22,569
Transfer under UITF 38 to ESOP reserve	–	–	–	(19)	–	–	(19)
At 31 December 2003 restated	538	376,054	1,078	(19)	21,501	(376,602)	22,550
Write up of ESOP reserve	–	–	–	7	–	(7)	–
Loss for the year	–	–	–	–	–	(5,315)	(5,315)
Conversion of unsecured loan notes	–	174	–	–	–	–	174
Conversion of (Nevex) shares	–	921	(921)	–	–	–	–
Exchange difference	–	–	–	–	–	(718)	(718)
Release of warrant reserve	–	–	–	–	(20,777)	20,777	–
At 31 December 2004	538	377,149	157	(12)	724	(361,865)	16,691

	Share capital £'000	*Share premium £'000*	*Shares to be issued £'000*	*ESOP reserve £'000*	*Warrant reserve £'000*	*Profit and loss account £'000*	*Total £'000*
Company							
At 31 December 2003	538	376,054	1,078	–	21,501	(379,363)	19,808
Transfer under UITF 38 to ESOP reserve	–	–	–	(19)	–	–	(19)
At 31 December 2003 restated	538	376,054	1,078	(19)	21,501	(379,363)	19,789
Write up of ESOP reserve	–	–	–	7	–	(7)	–
Loss for the year	–	–	–	–		(661)	(661)
Conversion of unsecured loan notes	–	174	–	–	–	–	174
Conversion of (Nevex) shares	–	921	(921)	–	–	–	–
Release of warrant reserve	–	–	–	–	(20,777)	20,777	–
At 31 December 2004	538	377,149	157	(12)	724	(359,254)	19,302

On 20 December 2004, upon shareholder approval, the Company's Ordinary shares were consolidated on a 125:1 basis. All share information has been restated to give effect to this consolidation.

Shares to be issued

In November 2000, 2,012 (251,569 Ordinary 1.0p shares) exchangeable shares were created to acquire the entire issued share capital of Nevex Software Technologies Inc. (Nevex). 30 shares at an original market price of £6,537.50 (3,864 shares at an original market price of £52.30) remain to be issued.

Warrant Reserve

In October 2000, on the acquisition of Content Technologies Holdings Limited (Content) unvested options in Content were converted to share options in Baltimore plc at a valuation of £20.5 million. Unvested options in Nevex were converted to share options in Baltimore plc at a valuation of £2.4 million. As options are exercised or lapsed the related value is released from the reserve.

17. SHARE OPTIONS

The Directors consider that carefully chosen share incentive plans for employees benefit the long-term growth of the Group.

The Company currently has 6 different Share Option Plans. As of 31 December 2004, the Company had granted options that may be exercised for up to 10,613 shares (2003: 1,383,882 shares of £0.01) in total at a weighted average exercise price of £726.00 per share (2003: £5.80 per £0.01 share) with exercise prices ranging from £1.00 to £8,512.50 per share (2003: £1.00 to £95.97 per £0.01 share).

On 16 December 2002 the Company established the Baltimore Technologies Share Award Plan with an exercise price of £1.00 per tranche exercised for share award options. An analysis of the movements in the number of options outstanding granted under the different share option schemes is as follows:

	Year ended 31 December 2004		*Year ended 31 December 2003*	
	Number of shares	*Weighted average exercise price £*	*Number of shares*	*Weighted average exercise price £*
Number of share options outstanding at beginning of year	32,304	681.75	54,797	789.17
Granted	–	–	24,550	0.00
Exercised	(5,866)	0.00	(3,425)	0.00
Cancelled / lapsed	(15,825)	902.05	(43,618)	486.83
Number of share options outstanding at end of year	10,613	725.99	32,304	681.35
Options exercisable at year end	5,690	1,354.12	15,021	1,833.73

Summarised information about the above schemes is as follows:

Weighted average remaining life

	Number of shares	*Remaining years*
Weighted average remaining life	10,613	5.28

Exercise period and exercise price ranges

	Number of shares	*Exercise price*	*Before conversion (1.0p shares)*	*Exercise period*
Exercise period and exercise price ranges	10,613	£0.00 – £8,512.50	£0.00 – £68.10	01.06.00– 16.12.12

The market price of shares at 31 December 2004 was £17.85 (2003: £49.0625). During 2004, shares traded in the range of £9.375 to £58.35.

No Directors held options to purchase the Company's Ordinary shares as of 31 December 2004.

18. CONTINGENT LIABILITIES

The Group has no material contingent liabilities.

19. COMMITMENTS

Total rentals under operating leases charged to the profit and loss account were as follows:

	31 December 2004 £'000	*31 December 2003 £'000*
Group		
Hire of plant and machinery	11	15
Land and buildings	2,330	2,564
	2,341	2,579

Annual commitments under operating leases to pay rentals during the year following the year-end analysed according to the period in which each lease expires were as follows:

	Land and buildings	
	31 December 2004 £'000	*31 December 2003 £'000*
Expiring within one year	–	10
Expiring in years two to five	337	237
Expiring in greater than five years	1,665	1,546
	2,002	1,793

Company

The Company has no annual commitments under non-cancellable operating leases.

20. NOTES TO ACCOMPANY CASH FLOW STATEMENT

20(a) Reconciliation of operating loss to net cash flow from operating activities

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Operating loss	(8,214)	(19,105)
Impairment and amortisation of goodwill and intangible assets	–	4,582
Depreciation of tangible fixed assets	17	2,384
Impairment of tangible fixed assets	580	2,992
Impairment of investments	–	4,132
Decrease in stocks	–	20
Increase in provisions	1,752	871
Decrease in debtors	1,048	5,862
(Decrease) in creditors	(2,974)	(14,095)
Net cash outflow from operating activities	(7,791)	(12,357)

20(b) Analysis of amounts netted on the cash flow statement

	Year to 31 December 2004 £'000	*Year to 31 December 2003 £'000*
Returns on investment and servicing of finance		
Interest received	866	844
Interest paid on bank loans, overdrafts and all other loans	–	(162)
Interest on finance leases	–	(7)
Net cash inflow from returns on investment and servicing of finance	866	675
Taxation	85	(23)
Capital expenditure and financial investments		
Purchase of tangible fixed assets	(10)	(40)
Sale of investments	2,292	4,500
Disposal of trade and assets/subsidiary undertakings	2,002	17,504
Expenses on disposal of trade and assets/subsidiary undertakings	(438)	(1,848)
Disposal of fixed asses	2	–
Net cash inflow from capital expenditure and financial investments	3,848	20,116
Financing		
Repayments of amounts borrowed	–	(259)
Issue of ordinary shares (net of issue expenses)	–	104
Repayment of convertible loan notes	–	(1,339)
Capital elements of finance lease repayments	–	(125)
Net cash outflow from financing	–	(1,619)

20(c) Analysis of net funds/(debt)

	Cash at bank £'000	*Other loans £'000*	*Net funds/(debt) £'000*
At 31 December 2003	24,675	(174)	24,501
Cash flow	(2,992)	–	(2,992)
Conversion of loan notes	–	174	174
At 31 December 2004	21,683	–	21,683

21. SUBSEQUENT EVENTS

Delisting from the Official List of the UK Listing Authority and cessation of trading on the London Stock Exchange

At 8am on 14 February 2005, the Company's listing of ordinary shares on the Official List of the UK Listing Authority was cancelled and the trading of such shares on the London Stock Exchange's market for listed securities ceased. The Board of Baltimore arranged for KBC Peel Hunt Ltd, the Company's broker, to operate a matched bargain facility for investors seeking to trade in the Company's shares from 14 February 2005 onwards.

Change of Name

Following shareholder approval at its EGM on 12 April 2005, the name of the Company was changed with effect from 15 April 2005 from Baltimore Technologies plc to Baltimore plc.

earthport plc

On 6 July 2005 the Company and earthport plc ("earthport") executed terms of settlement which provided for the withdrawal by earthport of the claim brought against the Company in July 2004 and the payment of £300,000 by earthport to the Company in respect of the Company's costs of defending the claim.

22. RELATED PARTIES TRANSACTIONS

Acquisitor Holdings Limited

Messrs T J C Lovell and C D Soukup are directors of Acquisitor Holdings Limited. At 31 December 2004, accruals included £493,781 due to Acquisitor Holdings Limited in respect of costs incurred.

New York Holdings Limited

Mr C D Soukup is a director of New York Holdings Limited. At 31 December 2004, accruals included £163,822 due to New York Holdings Limited in respect of advisory services.

DB Consultants Limited

Mr D J Buchler is a director of DB Consultants Limited. DB Consultants Limited received fees totalling £26,484 in respect of the services of D J Buchler to the Company during the year. At 31 December 2004, accruals included a further amount of £100,000 due to DB Consultants Limited."

(C) FINANCIAL INFORMATION ON ACQUISITOR HOLDINGS LIMITED FOR THE YEARS ENDED 30 SEPTEMBER 2003, 2004 AND 2005

Nature of financial information

The financial information set out in this Part VI(C) has been extracted without material adjustment from the admission document issued by Baltimore plc on 18 January 2006. The financial information in this Part VI(C) does not form the annual accounts of Acquisitor.

"Financial information on Acquisitor

The financial information set out in this part has been extracted without material adjustment from the audited consolidated financial statements of Acquisitor for the three financial years ended 30 September 2003, 30 September 2004 and 30 September 2005.

Any references to "Group" in this section only are to Acquisitor and its subsidiaries.

The consolidated financial statements of Acquisitor for the years ended 30 September 2003, 30 September 2004 were audited by KPMG Chartered Accountants Bermuda and for the year ended 30 September 2005 were audited by Moore Stephens LLP being Chartered Accountants, Registered Auditor.

An unqualified auditor report was given by KPMG Chartered Accountants Bermuda auditors for the year ended 30 September 2003. A qualified auditor report was given by KPMG Chartered Accountants Bermuda for the year ended 30 September 2004 due to disagreement about the accounting treatment relating to impairment of fixed assets and investments. Factors giving rise to the qualification are disclosed in note 9 to the extracted financial statements. A qualified auditor report was given by Moore Stephens LLP for the year ended 30 September 2005 due to limitation of scope on unlisted investments and is disclosed in note 9 to the extracted financial statements.

Audit report for the year ended 30 September 2003

"Independent auditors' report to the members of Acquisitor Holdings (Bermuda) Ltd.

We have audited the financial statements on pages 9 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 7, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the United Kingdom Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out on page 12. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the period from 7 October 2002 (Commencement of Operations) to 30 September 2003 and have been properly prepared in accordance with the accounting policies set out on page 12.

KPMG
Chartered Accountants
Bermuda
18 November 2003"

Audit report for the year ended 30 September 2004

"Independent auditors' report to the members of Acquisitor Holdings (Bermuda) Ltd.

We have audited the financial statements on pages 7 to 16.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the annual report and, as described on page 5, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the United Kingdom Auditing Practices Board and by our profession's ethical guidance. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out on page 10. We also report to you if, in our opinion, the annual report is not consistent with the financial statements, if the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment

As discussed in Note 9 to the financial statements, no adjustment has been made against the carrying value of the Company's investments held at 30 September 2004 as the Directors do not consider there to be an impairment in their value. In our opinion a write down should be made for the impairment in one of the Company's investments as required by Financial Reporting Standard No. 11 "Impairment of Fixed Assets and Goodwill". If such an impairment write down had been so recognised, the effect would have been to reduce the profit on ordinary activities for the year ended 30 September 2004 by approximately US$2,800,000, as estimated by the Directors, and the amount carried for investments at that date by an equivalent amount.

Except for the failure to provide for the impairment referred to above, in our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the accounting policies set out on page 10.

KPMG
Chartered Accountants
Hamilton,
Bermuda
26 November 2004"

Audit report for the year ended 30 September 2005

"Independent auditors' report to the members of Acquisitor Holdings Limited.

We have audited the financial statements on pages 7 to 16.

This report is made solely to the Company in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Company those matters we are required to state to it in our Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors.

The directors are responsible for preparing the annual report and, as described on page 5, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the United Kingdom Auditing Practices Board and by our profession's ethical guidance. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with stated accounting policies. We also report to you if, in our opinion, the report of the directors is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We read the other information in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited as explained in the following paragraph. As disclosed in note 9 to the financial statements, the directors do not consider that a provision for impairment in unlisted holdings is necessary due to the underlying value of the assets. We have been unable to obtain independent evidence of these valuations and are therefore unable to satisfy ourselves that an impairment provision is not required. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation of scope on unlisted investments

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the valuation of unlisted investments, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the accounting policies set out in note 2.

Moore Stephens LLP
Chartered Accountants
Registered Auditor
St. Paul's House,
London EC4M 7BP
28 November 2005"

PROFIT AND LOSS ACCOUNTS

	Notes	*Period ended 30 September 2003 US$*	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Income from operations		1,431,788	2,839,523	1,567,065	156,943
Gross profit		1,431,788	2,839,523	1,567,065	156,943
Reimbursement of transaction related expenses		–	–	–	514,123
Administrative expenses		(956,884)	(2,014,688)	(1,111,859)	(670,499)
Operating profit		474,904	824,835	455,206	567
Other interest receivable and similar income	5	310,597	66,278	36,577	187,874
Interest Payable	6	(57,945)	(162,466)	(89,660)	(78,041)
Profit on ordinary activities and retained profit for the period		727,556	728,647	402,123	110,400
Earnings per share	8	0.0255	0.0185	0.010	0.002

The Company's income and expenses all relate to continuing operations.

STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Profit on ordinary activities	727,556	728,647	402,123	110,400
Currency translation difference on investments financed by foreign currency borrowings	–	(5,264)	(2,905)	(1,484)
Profit on share capital repurchase	–	16,029	8,846	–
Total gains and losses recognised during the period	727,556	739,413	408,064	108,916

CONSOLIDATED BALANCE SHEET

	Notes	*As at 30 September 2003 US$*	*As at 30 September 2004 US$*	*As at 30 September 2004 restated £*	*As at 30 September 2005 £*
Fixed assets					
Investments at cost	9	9,794,321	27,279,396	15,054,854	17,674,239
Current assets					
Cash at bank and in hand		8,476,184	4,907,649	2,708,416	1,743,080
Other debtors		–	13,873	7,656	17,997
Prepayments and accrued income		9,484	13,172	7,269	6,187
		8,485,668	4,934,694	2,723,341	1,767,264
Current creditors					
Amounts falling due within one year	10	(1,418,306)	(3,170,873)	(1,749,930)	(3,304,322)
Net current assets (liabilities)		7,067,362	1,763,821	973,411	(1,537,058)
Net assets		16,861,683	29,043,217	16,028,265	16,137,181
Capital reserves					
Called up share capital	12	447,115	826,051	490,796	490,796
Share premium account	12	15,687,012	26,750,198	14,762,802	14,762,802
Foreign exchange reserve	12	–	(5,264)	(37,823)	(39,307)
Profit and loss account	12	727,556	1,472,232	812,490	922,890
Shareholders' funds		16,861,683	29,043,217	16,028,265	16,137,181
Net asset value per share		0.59	0.59	0.33	0.33

CONSOLIDATED CASH FLOW STATEMENT

	Notes	*Period ended 30 September 2003 US$*	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Net cash outflow from operating activities	13	(582,760)	(1,872,276)	(1,033,265)	(308,491)
Returns on investment and servicing of finance					
Interest received		123,980	86,247	47,597	84,504
Interest paid		(57,945)	(162,466)	(89,661)	(78,041)
		66,035	(76,219)	(42,064)	6,463
Financing					
Cash proceeds from issuance of share capital		–	12,028,475	6,638,231	–
Repurchase of shares		3,529,381	(570,324)	(314,748)	–
		3,529,381	11,458,151	6,323,483	–
Capital expenditure and financial investments					
Purchase of investments		(7,614,020)	(29,205,627)	(16,117,896)	(3,809,076)
Proceeds on disposal of investments		11,856,233	14,560,075	8,035,361	1,351,658
		4,242,213	(14,645,552)	(8,082,535)	(2,457,418)
Increase/(decrease) in cash during the year/period	14	7,254,869	(5,135,896)	(2,834,381)	(2,759,446)

1. GENERAL

Acquisitor Holdings Ltd (the "Company") formerly known as Acquisitor Holdings (Bermuda) Ltd, was incorporated under the Companies Act 1981 of Bermuda on 12 July 2002. The ordinary shares of the Company are listed on the London Stock Exchange Alternative Investment Market ("AIM"). The Company maintains its registered office in Bermuda.

The Company's objective is to achieve a rate of capital growth in excess of five per cent by investing in smaller publicly quoted companies which the Directors deem to be undervalued. On 7 October 2002, the Company received a subscription from Acquisitor Plc for 27,671,450 shares for total consideration of US$16,134,127, which comprised investment holdings valued at cost of US$12,604,746 and cash of US$3,529,381. Acquisitor Plc and the Company are related by virtue of common directors and shareholders. On the same date, Acquisitor Plc distributed its entire holdings of shares in the Company to the shareholders of Acquisitor Plc on the basis of ten ordinary shares for each ordinary share, of £0.02 par value each, held in the capital of Acquisitor Plc.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United Kingdom.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Investments

The value of the Company's investments lies in their marketable value as part of a basket of investments rather than as media through which the Company carries out its business. As a result, all investments that are held as part of the investment portfolio are carried at historic cost, accounted for on an average cost basis, including those over which the Company has significant influence or joint control. Provisions made for any permanent impairment in value are written off through the profit and loss account for the period. Gains and losses on disposal of holdings are included in the profit and loss account in the period in which they occur.

Foreign currency translation

As at 1 October 2004, the Board of Directors of the company approved to change its functional currency from US Dollars to Pounds Sterling. The comparative figures disclosed in the 2004 Annual Report have been restated in Pounds Sterling at the closing rate for each of the periods reported. The difference arising between the translated share capital value and the par value of the shares in Pounds Sterling was taken to the foreign exchange reserve.

Transactions in foreign currencies are translated at the exchange rate ruling on the date the transaction occurs. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated using the closing rate. Non-monetary assets are stated at the rate ruling on the date that the holding was acquired. Exchange differences are taken to the profit and loss account for the period.

Effective 1 October 2003, foreign equity investments financed by foreign currency borrowings are translated at the closing rate at the balance sheet date in accordance with SSAP 20 Foreign Currency Translation. Exchange differences arising from the translation of foreign equity investments and related borrowings are taken to reserves. Prior to that, holdings were stated at the historical rate at the date it was acquired and exchange differences were taken to the profit and loss account for the period. This change in accounting policy did not have a material effect on the Company's financial statements.

Interest income and expense

Interest income and expense is recorded on an accruals basis.

Income from operations

Income from operations represents realised profits on disposal of investments.

3. DIRECTORS' PERFORMANCE BONUSES AND FEES

The Directors are eligible for a performance bonus calculated on an annual basis based on the annual net profit of the Company. The allocation of the bonus is at the discretion of the Remuneration Committee. The performance bonus is equal to 20 per cent of the net profit and is payable in cash and/or ordinary shares of the Company. The Directors are entitled to receive remuneration for their services to the Company.

4. PROFIT ON ORDINARY ACTIVITIES

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
The operating profit is stated after charging (crediting):				
Directors' fees and remuneration	144,956	157,381	86,854	179,996
Directors' performance bonus	181,889	182,162	100,530	27,652
Auditors' remuneration:				
Audit fees	28,586	57,625	31,802	43,254
Gains/(losses) on foreign exchange	186,617	(19,969)	(11,020)	103,371
Profit on disposals of investments	1,431,788	2,839,523	–	–

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Interest receivable on bank deposits	123,980	86,247	47,597	84,504
Exchange gains/(losses)	186,617	(19,969)	(11,020)	103,370
	310,597	66,278	36,577	187,874

6. INTEREST PAYABLE

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
On bank loans and overdrafts	57,945	162,466	89,660	78,041

7. DIRECTORS' EMOLUMENTS

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Directors' fees and remuneration	144,956	157,381	86,854	179,996
Directors' performance bonuses	181,889	182,162	100,530	27,652
	326,845	339,543	187,384	207,648
The amounts attributable to the highest paid director are:				
Directors' fees	15,770	18,000	9,934	114,996
Directors' performance bonuses	145,511	158,162	87,285	–
	161,281	176,162	97,219	114,996

8. EARNINGS PER SHARE

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Profit for the period	727,556	728,647	402,123	110,400
Weighted average number of shares issued for the year/period	28,571,450	39,291,884	39,291,884	49,079,575
Earnings per share	0.0255	0.0185	0.010	0.002

Under the terms of the Directors' bonus scheme, they are entitled to take their bonus in the form of shares at market value. On 25 November 2005 the Board of Directors elected to take the payment of the bonuses in cash. Therefore, no diluted earnings per share information is presented.

9. INVESTMENTS

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Cost				
At start of the period	–	9,794,321	5,893,093	15,054,854
Additions	20,218,767	29,205,627	16,117,896	3,809,076
Disposals	(10,424,446)	(11,720,552)	(6,468,296)	(1,189,691)
Translation difference arising on retranslation of investment	–	–	(487,839)	–
At end of the period	9,794,321	27,279,396	15,054,854	17,674,239

During the period, Baltimore Technologies plc was delisted and changed its name to Baltimore plc. At 31 March 2005, the Company's unlisted 28.77 per cent. holding in Baltimore plc was held at a cost of £5,928,380 The Company's share of Baltimore's net assets, based on information provided by Baltimore, was £4,847,733 which is £1,080,647 less than the carrying value of the Company's holding. No provision has been made against the carrying value as the directors do not consider that there has been any permanent impairment in the holding.

At 30 September 2005, listed holdings were held at a cost of £11,745,859. The market value of the listed holdings was £14,642,415 (2004: £8,440,278). All the listed holdings are listed on recognised stock exchanges in the United States or Europe. The market value of listed investments at 30 September 2003 was US$9,767,321. Additions in 2003 included investments valued at cost of US$12,604,746, which were transferred to the Company from a related entity, Acquisitor Plc (see Note 1).

Listed Holdings at cost

	As at 30 September 2003 US$	*As at 30 September 2004 US$*	*As at 30 September 2004 restated £*	*As at 30 September 2005 £*
Total listed holdings	9,794,321	27,279,396	15,054,952	11,745,859

10. CREDITORS FALLING DUE WITHIN ONE YEAR

	As at 30 September 2003 US$	*As at 30 September 2004 US$*	*As at 30 September 2004 restated £*	*As at 30 September 2005 £*
Bank overdraft	1,034,698	2,627,292	1,449,940	3,147,188
Directors' performance bonuses	181,889	182,162	100,530	27,652
Trade creditors	87,534	189,810	104,750	10,204
Accruals	114,185	171,609	94,710	119,278
	1,418,306	3,170,873	1,749,930	3,304,322

11. SHARE CAPITAL

Number	*Class*	*Nominal value*	*As at 30 Sept 2003 US$*	*As at 30 Sept 2004 US$*	*As at 30 Sept 2004 restated £*	*As at 30 Sept 2005 £*
Authorised Number						
200,000,000 (2004: 200,000,000; 2003: 58,000,000)	Ordinary	£0.01	907,642	3,534,358	2,000,000	2,000,000
Allotted and Issued						
49,079,575 (2004: 49,079,575; 2003: 28,571,450)	Ordinary	£0.01	447,115	826,051	490,796	490,796

At the Annual General Meeting held on 22 December 2003, the authorised share capital was increased by 142 million new ordinary shares. On 12 January 2004, the increase of authorised share capital was approved by the Registrar of Companies.

In December 2003 and January 2004, the Company repurchased a total of 1,038,500 shares which were subsequently cancelled. On 19 March 2004 the Company placed 21,546,625 new ordinary shares raising US$12,028,475 net of issue expenses.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital US$	*Share Premium US$*	*Profit and loss account US$*	*Foreign exchange reserve US$*	*Total US$*
2003					
At 7 October 2002	–	–	–	–	–
Profit for the period	–	–	727,556	–	727,556
Share capital issued	447,115	15,687,012	–	–	16,134,127
At 30 September 2003	447,115	15,687,012	727,556	–	16,861,683

	Share capital US$	*Share Premium US$*	*Profit and loss account US$*	*Foreign exchange reserve US$*	*Total US$*
2004					
At 30 September 2003	447,115	15,687,012	727,556	–	16,861,683
Profit for the period	–	–	728,647	(5,264)	723,383
Share capital issued	395,187	11,633,288	–	–	12,028,475
Share capital redeemed	(16,251)	(570,102)	16,029	–	(570,324)
At 30 September 2004	826,051	26,750,198	1,472,232	(5,264)	29,043,217

	Share *capital £*	*Share Premium £*	*Profit and loss account £*	*Foreign exchange reserve£*	*Total £*
2005					
At 30 September 2004 **(restated in £)**	490,769	14,762,802	812,490	(37,823)	16,028,265
Profit for the period	–	–	110,400	(1,484)	108,916
At 30 September 2005	490,796	14,762,802	922,890	(39,307)	16,137,181

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Operating profit	474,904	824,835	455,206	567
Profit on disposal	(1,431,788)	(2,839,523)	(1,567,065)	(156,943)
(Increase)/decrease in prepayments and accrued income	(9,484)	(3,688)	(2,035)	1,082
(Increase) in other debtors	–	(13,873)	(7,656)	(10,341)
Increase/(decrease) in trade creditors and accruals	383,608	159,973	88,285	(142,856)
Net cash (outflow) from operating activities	(582,760)	(1,872,276)	(1,033,265)	(3085,491)

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS AND ANALYSIS OF NET FUNDS

	Period ended 30 September 2003 US$	*Year ended 30 September 2004 US$*	*Year ended 30 September 2004 restated £*	*Year ended 30 September 2005 £*
Increase/(decrease) in cash	8,349,511	(3,560,677)	(1,965,065)	(965,336)
(Decrease) in bank overdraft	(1,094,642)	(1,575,219)	(869,316)	(1,794,110)
Movement in net funds from cash flows	7,254,869	(5,135,896)	(2,834,381)	(2,759,446)
Foreign exchange (loss)/gain	186,617	(25,233)	(13,925)	96,862
Movements in net funds	7,441,486	(5,161,129)	(2,848,306)	(2,662,584)
Net funds at the start of the period	–	7,441,486	4,477,428	1,258,476
Translation differences arising from retranslation of cash	–	–	(370,646)	–
Net funds at the end of the period	7,441,486	2,280,357	1,258,476	(1,404,108)

	Funds at start of period US$	*Cash Flow US$*	*Foreign exchange movements US$*	*Funds at end of period US$*
2003				
Cash	–	8,349,511	126,673	8,476,184
Bank overdraft	–	(1,094,642)	59,944	(1,034,698)
	–	7,254,869	186,617	7,441,486

	Funds at start of period US$	*Cash Flow US$*	*Foreign exchange movements US$*	*Funds at end of period US$*
2004				
Cash	8,476,184	(3,560,677)	(7,858)	4,907,649
Bank overdraft	(1,034,698)	(1,575,219)	(17,375)	(2,627,292)
	7,441,486	(5,135,896)	(25,233)	2,280,357

	Funds at start of period US$	*Cash Flow US$*	*Foreign exchange movements US$*	*Funds at end of period US$*
2005				
Cash	2,708,416	(965,336)	–	1,743,080
Bank overdraft	(1,449,940)	(1,794,110)	96,862	(3,147,188)
	1,258,476	(2,759,446)	96,862	(1,404,108)

15. NUMBER OF EMPLOYEES

There were no employees during the period.

16. RELATED PARTY TRANSACTIONS

J S A Radziwill and C D Soukup are directors of New York Holdings Ltd, the parent of Lionheart Advisors, Inc. which provides research advice to the Company. During the year, the Company paid £213,013 (2004: £246,000; 2003: US$324,379) to Lionheart Advisors, Inc. in respect of the provision of research advice.

T J C Lovell is a director of Bluevale Consulting Limited, which provides business and other advisory services to the Company. During the year, the Company paid £99,997 (2004: £49,570; 2003: US$81,876) to Bluevale Consulting Limited in respect of these services. At 30 September 2005 the Company owed Bluevale Consulting Limited £NIL (2004: £4,167; 2003 US$6,947). During the year the Company was reimbursed £514,123 in respect of costs related to an acquisition.

We have been advised that at the year end an investee company held a contract for difference (CFD) based on a nominal 4,750,000 shares of Acquisitor. There were no other related party transactions during the current year.

17. CONTROL

No individuals, or group of individuals, has control of the Company.

18. TAXES

Under current Bermuda laws, the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda exempting it from any such taxes at least until the year 2016. It is management's belief that the Company is not engaged in a United States trade or business and will not be subject to United States income or withholding taxes in respect of the profits and losses of the Company other than the 30% withholding tax on United States source dividends. As a result, management has made no provision for income taxes in these financial statements.

19. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise investments, a bank overdraft, some cash and liquid resources, together with various items such as other debtors and trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to hedge against currency exposure and provide working capital.

The Company also enters into derivatives transactions, mainly put and call options on holdings principally in order to manage market risk arising from its operations. The main risks arising from the Company's financial instruments are interest rate risk, foreign exchange risk and capital loss risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year.

Interest rate risk

The Company does not undertake any significant hedging against interest risk. The Company finances its operations through equity funds, retained profits and bank borrowings. The Company maintains balances on current account and deposit account.

Foreign currency risk

The Company undertakes hedging activities from time to time for foreign exchange risk. During the year the Company borrowed in Sterling and Euros to fund a proportion of its holdings denominated in those currencies. In addition the Company held Sterling denominated bank accounts to cover Sterling expenses.

Capital loss risk

The Company closely monitors the stock markets and general economic conditions in order to minimize the risk of capital loss on holdings held.

20. POST BALANCE SHEET EVENTS

We have an undisclosed holding in an AIM listed company whose trading in its shares was suspended in early October 2005 pending independent verification of certain of its assets. The company made a further announcement on the 25 November 2005 that advisers appointed to verify the company's assets reported to its board that it appears the company has been subject to serious fraud. The total cost of our investment is £335,703 of which £188,385 was held at 30 September 2005. No provision has been made in the financial statements for the year ended 30 September 2005, as there are sufficient unrealised gains in the listed portfolio to cover any expected losses on this investment."

(D) FINANCIAL INFORMATION ON NEW YORK HOLDINGS LIMITED FOR THE YEARS ENDED 31 DECEMBER 2002, 2003 AND 2004 AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2005

Nature of financial information

The financial information set out in this Part VI(D) has been extracted without material adjustment from the admission document issued by Baltimore plc on 18 January 2006. The financial information in this Part VI(D) does not form the annual accounts of NYH.

"Financial information on NYH

The financial information set out in this part has been extracted without material adjustment from the audited consolidated financial statements of NYH for the three financial years ended 31 December 2002, 31 December 2003 and 31 December 2004.

Any references to "Group" in this section only are to NYH and its subsidiaries.

The consolidated financial statements of NYH as at 31 December 2002, 31 December 2003 and 31 December 2004 were audited by RSM Robson Rhodes, being Chartered Accountants and Registered Auditors. The auditors' report made under section 64 of the Companies (Guernsey) Law 1994 in respect of the 31 December 2002 and 31 December 2003 set of annual financial statements were unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act. The auditors' report in respect of the 31 December 2004 set of annual financial statements was qualified due to limitation of scope relating to cash balances as described in the basis of opinion in the report of the independent auditor.

Audit report for the year ended 31 December 2002

"Report of the Independent Auditors to the Members of New York Holdings Limited

We have audited the financial statements of New York Holdings Limited for the year ended 31 December 2002 on pages 10 to 24. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein. This report is made solely to the company's members, as a body, in accordance with Section 64 of The Companies (Guernsey) Law, 1994. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page eight the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law, 1994.

RSM Robson Rhodes
Chartered Accountants
Anson Court
La Route des Camps
St Martin's
Guernsey
Dated: 17 March 2003"

Audit report for the year ended 31 December 2003

"Report of the Independent Auditors to the Members of New York Holdings Limited

We have audited the financial statements of New York Holdings Limited for the year ended 31 December 2003 on pages 9 to 25. These financial statements have been prepared under the historical cost convention as modified by the revaluation of current assets, and the accounting policies set out therein. This report is made solely to the company's members, as a body, in accordance with Section 64 of The Companies (Guernsey) Law, 1994. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page seven the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law, 1994

RSM Robson Rhodes
Chartered Accountants
Anson Court
La Route des Camps
St Martin's
Guernsey
Dated: 18 May 2004"

Audit report for the year ended 31 December 2004

"Report of the Independent Auditor to the Members of New York Holdings Limited

We have audited the financial statements of New York Holdings Limited for the year ended 31 December 2004 on pages 9 to 25. These financial statements have been prepared under the historical cost convention as modified by the revaluation of current assets, and the accounting policies set out therein. This report is made solely to the Company's members, as a body, in accordance with Section 64 of The Companies (Guernsey) Law, 1994. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page six the Company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. However the evidence available to us was limited. We wrote to Bank of America Securities LLC seeking independent verification on accounts and assets held with them, assets held as security and contingent liabilities using a standard bank audit questionnaire. Bank of America Securities LLC were not prepared to complete this independent verification and, therefore, we were not able to obtain their independent verification of US$1,605,332 of the Company's current asset investments, US$906,000 cash at bank and US$699,030 current liabilities. In consequence our audit procedures were limited to confirming the above amounts to their customer statements at year end. This was not sufficient for our audit purposes and we were unable to carry out any other satisfactory audit procedures to obtain adequate independent assurance regarding completeness, valuation, existence and ownership of the above amounts in the balance sheet. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning current assets investments, cash at bank and current liabilities, in our opinion the financial statements give a true and fair view of the state of the Company's and Group's affairs as at 31 December 2004 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with The Companies (Guernsey) Law, 1994.

In respect alone of the limitation on our work relating to current assets investments, cash at bank and current liabilities:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

RSM Robson Rhodes
Chartered Accountants,
Anson Court,
La Route des Camps,
St Martin's,
Guernsey
Dated: 31 May 2005"

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	Notes	*Year ended 31 December 2002 US$*	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Revenue				
Continuing operations		565,365	945,523	1,627,517
Acquisitions		813,090	–	–
		1,378,455	945,523	1,627,517
Operating expenses before goodwill amortisation		1,013,472	1,059,260	949,107
Goodwill amortisation		194,668	194,672	–
Cancellation of options obligations		(199,187)	–	–
Net operating expenses		1,008,953	1,253,932	949,107
Operating profit/(loss)				
Continuing operations		166,467	(308,409)	678,410
Acquisitions		203,035	–	–
		369,502	(308,409)	678,410
Realised (losses)/gain on investments		–	582,751	(78,251)
	4	369,502	274,342	600,159
Interest receivable and similar income		14,162	14,725	14,463
		383,664	289,067	614,622
Interest payable and similar charges	5	41,711	57,040	101,090
		341,953	232,027	513,532
Goodwill impairment		–	–	(3,504,018)
Profit/(loss) on ordinary activities before taxation		341,953	232,027	(2,990,486)
Profit on ordinary activities before taxation (excluding goodwill)		536,621	426,699	513,532
Tax on profit on ordinary activities	6	89,890	(8,965)	17,621
Profit/(loss) for the financial year after taxation		252,063	240,992	(3,008,107)
Retained profit/(loss) for the year for the Group		252,063	240,992	(3,008,107)
Earnings (loss) per Share (cents)	23	0.38	0.35	(4.34)
Diluted earnings (loss) per Share (cents	23	0.38	0.35	(4.34)
Diluted earnings per Share (cents) (excluding amortised goodwill)	23	0.67	0.63	0.72

Total recognised gains and losses

The Group has no recognised gains or losses other than the losses for the current and prior year adjustments referred to in note 27.

Continuing Operations

None of the Group's activities were discontinued during the current or previous years.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	*Year ended 31 December 2002 US$*	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Profit/(loss) for the financial year		252,062	476,003	(3,008,107)
Total recognised gains and losses recognised in the year		252,063	476,003	(3,008,107)
Prior year adjustment	27	(21,669)	(235,011)	–
Total gains and losses recognised since last annual report		230,394	240,922	(3,008,107)

CONSOLIDATED BALANCE SHEET

	Notes	*As at 31 December 2002 US$*	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Fixed assets				
Intangible assets	8	3,698,690	3,504,018	–
Tangible assets	9	29,932	18,365	7,999
		3,728,622	3,522,383	7,999
Current assets				
Debtors	11	163,042	63,346	539,773
Sundry deposits		71,001	71,001	71,001
NASDAQ warrants		46,100	38,535	16,800
Investments	12	963,358	1,434,996	1,914,460
Cash at bank and in hand		1,019,002	1,195,102	1,195,219
		2,262,503	2,802,980	3,737,253
Creditors				
Amounts falling due within one year	13	(995,171)	(1,123,033)	(1,638,082)
Net current assets		1,267,332	1,679,947	2,099,171
Total assets less current liabilities		4,995,954	5,202,330	2,107,170
Creditors				
Amounts falling due after more than one year	14	(100,000)	(87,053)	–
Net assets		4,895,954	5,115,277	2,107,170
Capital and reserves				
Called up share capital	16	693,818	693,818	693,818
Share premium	17	6,100,745	6,100,745	5,135,228
Profit and loss account	17	(1,898,609)	(1,679,286)	(3,721,876)
Shareholders' funds		4,895,954	5,115,277	2,107,170

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Year ended 31 December 2002 US$	Year ended 31 December 2003 as restated US$	Year ended 31 December 2004 US$
Net cash inflow/(outflow) from operating activities	24	642,830	69,653	(16,613)
Returns on investment and servicing of finance	25	(27,549)	(42,315)	(86,627)
Acquisitions		128,852	–	–
		744,133	27,338	(103,240)
Financing	25	(18,315)	15,957	103,357
Increase in cash in the period		725,818	43,295	117
Reconciliation of net cash flow to movements in net funds	26			
Increase in cash in the period		725,818	43,295	117
Cash (outflow) / inflow from the change in debt		18,315	(15,957)	(103,357)
Change in net funds resulting from cash flows		744,133	27,338	(103,240)
Loans acquired with subsidiary		(617,976)	–	–
Movements in net funds in the period		126,157	27,338	(103,240)
Net funds at beginning of year		193,184	452,146	479,484
Net funds at end of year		319,341	479,484	376,244

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the Company's accounts and the consolidated financial statements of Lionheart Group, Inc. The Company's statements are prepared in accordance with applicable UK accounting standards and the Lionheart Group, Inc. statements are prepared in accordance with applicable US accounting standards. Any necessary adjustments have been made and all material inter-company transactions and balances have been eliminated.

The Group defines cash equivalents as short-term, highly liquid securities and interest-earning deposits with original maturities of 90 days or less, other than those used for trading purposes.

Investments

Investments are stated at cost. Provisions made for any permanent impairment in value are written off through the profit and loss account for the period. Realised profits and losses on investments are included in the profit and loss account. The original cost of the investments includes all incurred direct costs relating to the purchase of that investment.

Revenue

Revenue represents advisory and management fees, commission income and gains on securities.

Goodwill

Goodwill representing the excess of the purchase price over the fair value of the net assets of the business acquired is amortised by equal instalments over its expected useful economic life, which is 20 years, unless impaired.

Tangible fixed assets

Property and equipment are stated at cost. Depreciation of office furniture and equipment is provided on a straight-line basis over a 7 year and 5 year period respectively.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Reporting currency

The reporting currency of the Company is US dollars. The Sterling to US dollar exchange rate ruling at the balance sheet date was 1.92660 (2003: 1.7785; 2002: 1.6095).

Change in accounting policy

In previous years the quoted investments had been stated at their mid price market values and unquoted investments were stated at valuation. The Company has changed its accounting policy so as to only recognise gains or losses on disposal (or on impairment). The reason for this change is to reflect that the Company's quoted investments are generally made in illiquid markets and in consequence a market price based valuation is often not reflective of fair value. Accordingly the directors are of the opinion it is not prudent to recognise unrealised gains or losses on these investments unless they believe their value is permanently impaired. The 2003 comparatives have been restated to conform to the changed policy. The 2002 comparatives have not been restated to conform to the change in policy.

2. ANALYSIS OF OPERATIONS

	Continuing US$	*Acquisitions US$*	*Total US$*
Revenue 2002	565,365	813,090	1,378,455
Net operating expenses			
Operating expenses	403,417	610,055	1,013,472
Goodwill amortisation	194,668	–	194,668
Cancellation of options	(199,187)	–	(199,187)
	398,898	610,055	1,008,953

All revenue and operating expenses for 2003, 2004 were from continuing activities.

3. STAFF COSTS

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Wages and Salaries	128,782	158,609	87,012

4. OPERATING PROFIT

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
The operating profit is stated after charging (crediting):			
Depreciation – owned assets	13,830	11,567	10,366
Goodwill written off	194,668	194,672	–
Auditors remuneration	19,272	13,385	12,000
Foreign exchange differences	(28,131)	14,086	(38,705)
Directors' emoluments	200,000	257,530	173,162

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Interest expenses	41,711	57,040	101,090

6. TAXATION

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charges an annual exemption fee of £600.

The Company's subsidiaries are subject to US federal and state taxes.

7. PROFIT OF PARENT COMPANY

The Company's (loss)/profit for the financial year was US$(3,383,060) (2003 as restated – US$581,153; 2002 – US$369,021).

8. INTANGIBLE ASSETS

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Cost:			
Opening cost for the period	–	3,893,358	3,893,358
Additions	3,893,358	–	–
Closing cost for the period	3,893,358	3,893,358	3,893,358
Amortisation			
Opening amortisation for the period	–	194,668	389,340
Charge for the period	194,668	194,672	–
Impairment	–	–	3,504,018
Closing amortisation for the period	194,668	389,340	3,893,358
Net book value at end of period	3,698,690	3,504,018	–

Goodwill represents the excess of the purchase price over the fair value of the net assets of the business of Lionheart Group, Inc. which was acquired on the 17 January 2002. In 2004 the Directors have undertaken an impairment review and are of the opinion that due to a proposed restructuring of the Group, the value of this goodwill is now negligible. Accordingly a full impairment charge has been taken in the 2004 year.

9. TANGIBLE ASSETS

2002	*Furniture and fixtures US$*	*Equipment US$*	*Totals US$*
Cost:			
At 17 January 2002 and 31 December 2002	14,562	29,200	43,762
Depreciation:			
Charge for the year	5,372	8,458	13,830
At 31 December 2002	5,372	8,458	13,380
Net Book Value	9,190	20,742	29,932

2003	*Furniture and fixtures US$*	*Equipment US$*	*Totals US$*
Cost:			
At 1 January 2003 and 31 December 2003	14,562	29,200	43,762
Depreciation:			
At 1 January 2003	5,372	8,458	13,830
Charge for the year	2,893	8,674	11,567
At 31 December 2003	8,265	17,132	25,397
Net Book Value	6,297	12,068	18,365

2004	*Furniture and fixtures US$*	*Equipment US$*	*Totals US$*
Cost:			
At 1 January 2004 and 31 December 2004	14,562	29,200	43,762
Depreciation:			
At 1 January 2004	8,265	17,132	25,397
Charge for the year	2,936	7,430	10,366
At 31 December 2004	11,201	24,562	35,763
Net Book Value	3,361	4,638	7,999

10. FIXED ASSET INVESTMENTS

	As at 31 December 2002 US$	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Cost:			
At start of year	4,483,750	4,483,750	4,483,750
Additions	–	–	–
Impairments in investments	–	–	(3,893,358)
Net Book Value at the year end	4,483,750	4,483,750	590,392

The Company's investments at the balance sheet dates in the share capital of companies include the following:

Lionheart Group, Inc & Subsidiaries; Country of incorporation: Delaware, USA; Nature of business:

Financial services; Class of shares: Ordinary; Holding: 100.00%

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Aggregate capital and reserves	668,102	522,639	524,033
Profit/(loss) for the year	77,712	(145,464)	166,245

Company	*Country of incorporation*	*Company*
Lionheart Advisors, Inc.	Delaware, USA	Financial Services
Lionheart Partners, Inc.	Delaware, USA	Financial Services
Lionheart Services, Inc.	Delaware, USA	Financial Services (Dormant: 2004)

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2002 US$	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Balance held by Brokers	132,805	–	–
Other Debtors	–	41,489	508,435
Prepayments and accrued income	26,987	21,857	31,338
Other Assets	3,250	–	–
	163,042	63,346	539,773

The Brokers' account shown in debtors in 2002 was reclassified so that it was included in Cash at Bank for 2003 and 2004 periods.

12. CURRENT ASSET INVESTMENT

	As at 31 December 2002 US$	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Securities owned at market value	963,358	1,434,996	1,914,460

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 December 2002 US$	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Other loans (see note 15)	599,661	628,565	818,974
Other creditors	4,024	239,781	699,030
Accruals and deferred income	388,009	254,687	120,078
Deferred taxes payable	3,477	–	–
	995,171	1,123,033	1,638,082

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	As at 31 December 2002 US$	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Other loans (see note 15)	100,000	87,053	–

15. LOANS

	As at 31 December 2002 US$	As at 31 December 2003 as restated US$	As at 31 December 2004 US$
An analysis of the maturity of loans is given below:			
Amounts falling due within one year or on demand:			
D Soukup	274,420	337,543	503,797
J Radziwill	243,256	291,023	315,177
D Soukup	81,985	–	–
	599,661	628,566	818,974
Amounts falling due in more than five years or on demand:			
D Soukup	100,000	87,053	–

These funds have been made available to the Group and are interest-bearing loans.

16. CALLED UP SHARE CAPITAL

Number	*Class*	*Nominal Value*	*At at 31 December 2002 US$*	*As at 31 December 2003 as restated US$*	*As at 31 December 2004 US$*
Authorised Number					
200,000,000 (2002: 100,000,000)	Ordinary	US$0.01	1,000,000	2,000,000	2,000,000
Allotted and Issued					
69,381,800	Ordinary	US$0.01	693,818	693,818	693,818

17. RESERVES

2002	*Profit and loss account US$*	*Share Premium US$*	*Option reserve US$*	*Totals US$*
At 1 January 2002	(2,150,672)	2,434,932	–	284,260
Retained profit for the year	252,063	–	–	252,063
Options issued during the year	–	–	224,187	224,187
Premium on shares issued	–	3,665,813	–	3,665,813
Cancellation of options obligations	–	–	(224,187)	(224,187)
At 31 December 2002	(1,898,609)	6,100,745	–	4,202,136

2003	*Profit and loss account US$*	*Share Premium US$*	*Option reserve US$*	*Totals US$*
At 1 January 2003	(1,898,609)	6,100,745	–	4,202,136
Retained profit for the year	476,003	–	–	476,003
Options issued during the year	–	–	–	–
Premium on shares issued	–	–	–	–
At 31 December 2003	(1,422,606)	6,100,745	–	4,678,139

2004	*Profit and loss account US$*	*Share Premium US$*	*Option reserve US$*	*Totals US$*
At 1 January 2004	(1,422,606)	6,100,745	–	4,678,139
Prior year adjustments	(256,680)	–	–	(256,680)
At 1 January 2004 as restated	(1,679,286)	6,100,745	–	4,421,459
Retained (loss) for the year	(3,008,107)	–	–	(3,008,107)
Reduction in share premium	965,517	(965,517)	–	–
At 31 December 2004	(3,721,876)	5,135,228	–	1,413,352

18. ULTIMATE PARENT COMPANY

In the directors' opinion there is no ultimate controlling party at the balance sheet dates.

19. RELATED PARTY DISCLOSURES

The following related party relationships exist:

- D Soukup is a director of Tinopolis Plc (formerly Acquisitor Plc), Acquisitor Holdings (Bermuda) Limited and Baltimore plc.

- J Radziwill is a director of USA Micro Cap Co Limited and is the sole director of Fleur-de-Lys Management Limited, a company which provides management services to USA Micro Cap Co Limited.

- During 2003 J Radziwill was a director of Acquisitor Plc and Acquisitor Holdings (Bermuda) Limited, Lionheart Micro-Cap LP and USA Micro Cap Co Ltd.

During the year the following related party transactions took place:

- Lionheart Group, Inc. & Subsidiaries provided investment advice to Tinopolis Plc (formerly Acquisitor Plc) and Acquisitor Holdings (Bermuda) Limited and received fees totalling US$528,805 (2003: $413,639 2002: $271,057).

- Lionheart Group, Inc. & Subsidiaries provided investment advice to Lionheart Micro-Cap LP and USA Micro Cap Co Limited and received fees totalling US$79,422 (2003: US$110,658; 2002: Nil).

- New York Holdings Limited earned performance bonuses from Acquisitor Holdings (Bermuda) Limited totalling US$158,162 (2003:US$345,511; 2002: Nil).

- New York Holdings Limited earned performance bonuses from Fleur-de-Lys Management Limited of US$320,000 (2003:Nil; 2002: Nil).

- Interest of US$52,169 (2003: US$28,565; 2002: Nil) was charged on loans received from directors.

At the year end the following related party balances are included in the consolidated balance sheet:

- Lionheart Group, Inc. and Subsidiaries had an investment of US$208,384 (2003: US$200,171) in Lionheart USA Micro Cap Value LP.
- New York Holdings Limited had an investment of US$520,000 (2003: US$200,000) in USA Micro Cap Co Limited.
- New York Holdings Limited was due an advisory fee from Baltimore Plc totalling US$235,045.
- Loans to directors as disclosed in note 15 to the accounts.
- Share options granted to directors as disclosed in note 22 to the accounts.

In 2002 revenues include performance fees from Acquisitor Plc, an affiliate of the Lionheart Group, Inc. of US $486,496 for the provision by the Company of Directors' services to Acquisitor Plc rendered in the year to 30 September 2002. These Directors have assigned all rights to such fees in favour of the Company.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 US$*	*Year ended 31 December 2004 US$*
Profit/ (loss) for the financial year	252,063	240,992	(3,008,107)
Premium on shares issued	3,665,813	–	–
Increase in share capital	593,750	–	–
Net addition to shareholders' funds	4,511,626	240,992	(3,008,107)
Opening shareholders' funds	384,328	4,874,285	5,115,277
Prior period adjustments (note 27)	(21,669)	–	–
Closing shareholders' funds	4,874,285	5,115,277	2,107,170
Equity Interest	4,874,285	5,115,277	2,107,170

21. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of:

- Cash and short-term debtors and creditors that arise from its activities
- Short-term deposits
- Securities

In the normal course of business, the Group enters into financial transactions where the risk of potential loss due to changes in markets (market, interest rate and foreign currency risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transactions.

The Group's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Group has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of 31 December 2004 (2003: Nil, 2002: Nil), there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's holding of short-term deposits denominated in sterling. To manage this risk the Group only enters into short-term deposits that are denominated in Sterling and therefore short-term deposits can easily be transferred to the reporting currency should there be an adverse movement in sterling deposit interest rates.

Loans have been transacted in US dollars and therefore the Group is not exposed to exchange rate risk on these loans.

The Group is exposed to foreign currency risk as the Group has entered into Sterling transactions in the year. Sterling investments have been hedged with sterling borrowings. A hedge accounting policy has not been adopted by the Group. The Group monitors its exposure through its reporting and control procedures.

With the exception of currency exposures the disclosures set out below exclude short-term debtors and creditors.

Interest rate risk profile of financial assets:
(Interest rate risk profile not disclosed in 2002)

2003

	Fixed rate US$	*Nil rate US$*	*Floating rate US$*	*Total financial assets US$*
Interest rate profile for financial assets				
US Dollars	–	1,501,315	1,114,696	2,616,011
British Pounds	–	254,186	93,800	347,986
Euros	–	–	11,163	11,163
	–	1,755,501	1,219,659	2,975,160
Interest rate profile for financial liabilities				
US Dollars	715,618	–	–	715,618
British Pounds	–	–	231,179	231,179
	715,618	–	231,179	946,797

The weighted average interest rate on fixed liabilities is 8 per cent. All borrowings are repayable on demand.

2004

	Fixed rate US$	*Nil rate US$*	*Floating rate US$*	*Total financial assets US$*
Interest rate profile for financial assets				
US Dollars	–	1,901,517	1,271,637	3,173,154
British Pounds	–	–	406	406
	–	1,901,517	1,272,043	3,173,5600
Interest rate profile for financial liabilities				
US Dollars	818,975	–	–	818,975
British Pounds	–	699,030	–	699,030
	818,975	699,030	–	1,518,005

The weighted average interest rate on fixed liabilities is 9 per cent. All borrowings are repayable on demand.

Currency exposure

The table below shows the Group's currency exposures that give rise to gains and losses recognised in the profit and loss account. Such exposures comprise the net monetary assets and liabilities of the Group which are not denominated in US dollars, the Group's functional currency.

Net financial assets and liabilities	*As at 31 December 2003 as restated*	*As at 31 December 2004 US$*
British pounds	80,293	2,354,836
Euros	11,163	(255,666)
	91,456	2,099,170

22. SHARE OPTIONS

As part of the completion of the acquisition of the Lionheart Group, Inc. and its subsidiaries on 17 January 2002, the Company approved the issue of 800,000 management share options to subscribe for shares at a price of GBP 0.05 per share. These options were granted to the directors, as shown below, on 17 March 2003 and remain unexercised at the year end.

Management options

	Number of Ordinary Shares subject to options at 5p per share exercisable before 17 March 2008
Director	
Duncan Soukup	500,000
John Radziwill	150,000
Option Holder	
George Begley	150,000

Other options

On 17 March 2003 the Company granted the following options to the Group's advisers:

	Number of Ordinary Shares subject to options at 10p per share
Option Holder	
Bluevale Consulting Limited	2,125,000 (exercisable before 17 March 2008)
Ruegg & Co Limited	500,000 (exercisable before 17 March 2005)
ESR Consultants	500,000 (exercisable before 17 March 2005)

None of these options had been exercised at the 2004 year end. Options exercisable before 17 March 2005 have not been exercised. The directors have confirmed that these options have not been renewed.

23. EARNINGS (LOSS) PER SHARE

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Profit for the year after taxation	252,063	240,992	(3,008,107)
Profit for the year before amortised goodwill	446,731	435,664	495,911
Weighted average number of shares for the period	66,616,389	69,381,800	69,381,800
Effect of dilutive shares:			
Weighted average number of shares issuable under management share option	800,000	800,000	800,000
Number of shares that would have been issued at fair value	(400,000)	(727,273)	(800,000)
Total number of shares	67,016,389	69,454,527	69,381,800
Earnings (loss) per share (cents)	0.38	0.35	(4.34)
Diluted earnings (loss) per share (cents)	0.38	0.35	(4.34)
Diluted earnings per share excluding amortised goodwill (cents)	0.67	0.63	0.72

24. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Operating profit	369,502	(308,409)	678,410
Depreciation and amortisation charges	208,498	206,239	10,366
Realised/unrealised (losses)/gains on investments	–	582,751	(78,251)
(Increase)/decrease in debtors	279,653	(33,109)	(476,427)
Decrease in security deposits	2,400	–	–
(Increase) in current asset investments	(27,676)	(346,457)	(159,464)
(Increase)/decrease in NASDAQ warrants	(46,100)	7,565	21,735
Decrease in loans receivable	200,400	–	–
Increase in creditors	151,750	107,923	307,018
Less: unrealised gain on current asset investments	(271,410)	(146,850)	–
Less: cancellation of options obligations	(224,187)	–	–
Net cash inflow from operating activities	642,830	69,653	(16,613)

25. ANALYSIS OF CASH FLOW FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year ended 31 December 2002 US$	*Year ended 31 December 2003 as restated US$*	*Year ended 31 December 2004 US$*
Returns on investments and servicing of finance			
Interest Paid	14,162	14,725	14,463
Interest Received	(41,711)	(57,040)	(101,090)
Net cash outflow for returns on investments and servicing of finance	(27,549)	(42,315)	(86,627)
Acquisitions			
Cash acquired with subsidiary	128,852	–	–
Net cash inflow on acquisitions	128,852	–	–
Financing			
Increase in borrowings	(18,315)	15,957	103,357
Net cash inflow/(outflow) from financing	(18,315)	15,957	103,357

26. ANALYSIS OF CHANGES IN NET FUNDS

2002	*Funds at start of year US$*	*Cash flow US$*	*Acquisitions US$*	*Funds at end of year US$*
Net Cash				
Cash at bank and in hand	293,184	725,818	–	1,019,002
Debt:				
Debts falling due within one year	(100,000)	18,315	(517,976)	(599,661)
Debts falling due after one year	–	–	(100,000)	(100,000)
Total	193,184	744,133	(617,976)	319,341

2003	*Funds at start of year US$*	*Cash flow US$*	*Acquisitions US$*	*Funds at end of year US$*
Net Cash				
Cash at bank and in hand[1]	1,151,807	43,295	–	1,195,102
Debt:				
Debts falling due within one year	(599,661)	(28,904)	–	(628,565)
Debts falling due after one year	(100,000)	12,947	–	(87,053)
Total	452,146	27,338	–	476,484

2004	*Funds at start of year US$*	*Cash flow US$*	*Acquisitions US$*	*Funds at end of year US$*
Net Cash				
Cash at bank and in hand	1,195,102	117	–	1,195,219
Debt:				
Debts falling due within one year	(628,565)	(190,410)	–	(818,975)
Debts falling due after one year	(87,053)	87,053	–	–
Total	476,484	(103,240)	–	376,244

27. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the change in accounting policy of investments as described in note 1. The total adjustment for the unrealised gains on investments is US$256,680; US$235,011 relates to 2003 and $21,669 relates to 2002. Figures shown for the year ended 31 December 2002 have not been adjusted to reflect this adjustment and are stated at their reported value."

[1] Note: Opening cash at bank and in hand has been adjusted to include the Balance held by Brokers of $132,805 (see note 11).

UNAUDITED FINANCIAL INFORMATION ON NEW YORK HOLDINGS LIMITED

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2005

Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with applicable UK accounting standards, as applicable for the relevant period.

The financial information on NYH in, respect of the six months ended 30 June 2005 and 30 June 2004, has been extracted from NYH's unaudited interim results for the period. This information does not constitute statutory financial statements and is based on unaudited management accounts.

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	1 January 2004 to 30 June 2004 as restated US$	*1 January 2005 to 30 June 2005 US$*
Revenue	531,472	607,826
Operating expenses before goodwill amortisation	583,090	475,613
Goodwill amortisation	97,334	–
Net operating expenses	680,424	475,613
Operating (loss)/profit	(148,952)	132,213
Realised (losses)/gain on investments	(221,516)	30,214
	(370,468)	162,427
Interest receivable and similar income	4,822	11,777
	(365,646)	174,204
Interest payable and similar charges	39,865	49,445
(Loss)/profit on ordinary activities before taxation	(405,511)	124,759
(Loss)/profit on ordinary activities before taxation (excluding goodwill)	(308,177)	124,759
Tax on profit on ordinary activities	(6,144)	4,594
(Loss)/profit for the financial year after taxation	(399,367)	120,165
Retained (loss)/profit for the year for the Group	(399,367)	120,165
(Loss)/earnings per Share (cents)	(0.58)	0.17
Diluted (loss)/earnings per Share (cents)	(0.58)	0.17
Diluted (loss)/earnings per Share (cents) (excluding amortised goodwill)	(0.43)	0.17

UNAUDITED CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1 January 2004 to 30 June 2004 as restated US$	*1 January 2005 to 30 June 2005 US$*
(Loss)/profit for the financial year	(531,863)	120,165
Total recognised gains and losses recognised to the year	(531,863)	120,165
Prior year adjustment	(132,496)	–
Total gains and losses recognised since last annual report	(399,367)	120,165

UNAUDITED CONSOLIDATED BALANCE SHEET

	As at 30 June 2004 as restated US$	*As at 30 June 2005 US$*
Fixed assets		
Intangible assets	3,406,684	–
Tangible assets	13,871	24,528
	3,420,555	24,528
Current assets		
Debtors	96,063	250,730
Sundry deposits	71,001	71,001
NASDAQ warrants	31,290	16,800
Investments	2,550,164	2,218,475
Cash at bank and in hand	1,078,514	1,333,737
	3,827,032	3,890,743
Creditors		
Amounts falling due within one year	(2,192,584)	(1,687,938)
Net current assets	1,634,448	2,202,805
Total assets less current liabilities	5,055,003	2,227,333
Creditors		
Amounts falling due after more than one year	(82,413)	–
Net assets	4,972,590	2,227,333
Capital and reserves		
Called up share capital	693,818	693,818
Share premium	6,100,745	5,135,228
Profit and loss account	(1,821,973)	(3,601,713)
Shareholders' funds	4,972,590	2,227,333

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	1 January 2004 to 30 June 2004 as restated US$	*1 January 2005 to 30 June 2005 US$*
Net cash outflow/(inflow) from operating activities	(102,467)	167,421
Returns on investment and servicing of finance	(35,043)	(37,668)
Capital Expenditure	–	(19,500)
	(137,512)	110,253
Financing	20,924	28,266
(Decrease)/increase in cash in the period	(116,588)	138,519
Reconciliation of net cash flow to movements in net funds		
(Decrease)/increase in cash in the period	(116,588)	138,519
Cash (outflow)/inflow from the change in debt	(20,924)	(28,266)
Change in net funds resulting from cash flows	(137,512)	110,253
Movements in net funds in the period	(137,512)	110,253
Net funds at beginning of year	479,484	376,243
Net funds at end of year	341,972	486,496

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The interim financial information has been prepared on the same basis and using the same accounting policies as used in the audited financial statements dated 31 December 2004.

Change in accounting policy since 2004 Interim Results

In the Company's Financial Statements prior to those for the year ended 31 December 2004, quoted investments were stated at their mid market values and unquoted investments were stated at valuation. With effect from 31 December 2004, the Company changed its accounting policy so as to only recognise gains or losses on disposal (or on impairment). The reason for this change was to reflect that the Company's quoted investments are generally made in illiquid markets and in consequence a market price based valuation is often not reflective of fair value. Accordingly the directors are of the opinion it is not prudent to recognise unrealised gains or losses on these investments unless they believe their value is permanently impaired. The 2004 Interim comparatives have been restated to conform to the changed policy."

PART VII

INFORMATION ON THE EXPECTED IMPACT OF THE ACQUISITION ON THE EARNINGS AND ASSETS AND LIABILITIES OF ORYX

1. Basis of preparation

The following information is provided by the Oryx Directors to explain how the Acquisition might have affected the assets and liabilities of Oryx, based upon its audited balance sheet as at 31 March 2006. The following description assumes that all Baltimore Shares in issue are acquired and accordingly that there are no minority interests.

2. Impact of the Acquisition on the earnings and assets and liabilities of Oryx

The Acquisition is likely to impact Oryx in the following key areas:

2.1. *Impact on earnings and assets and liabilities attributable to Existing Oryx Shareholders*

The direct financial position of the Existing Oryx Shareholders will not immediately change following the Acquisition. The assets and liabilities acquired will be accounted for and managed as a separate pool, the Oryx C Shareholders Fund, with all earnings, gains and losses relating to this pool of assets and liabilities being attributable to the C Shareholders.

Since Oryx is a single legal entity, the Existing Oryx Shareholders will be indirectly interested in the Oryx C Shareholders Fund, in the event that there is a shortfall and its assets are insufficient to cover its liabilities or any losses that may arise. Any losses, if significant, could reduce the ability of the Company to repurchase out of distributable reserves and cancel its own shares.

The conversion of Oryx C Shares into Ordinary Shares will occur in accordance with paragraph 8 of Part III of this document. The basis upon which the Oryx C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of Oryx C Shares will become entitled will reflect the relative Net Asset Value attributable to the Oryx C Shares as compared to the Net Asset Value attributable to the Ordinary Shares in issue at that time. As a result, other than the enlargement of the earnings and assets and liabilities of Oryx and the number of Ordinary Shares in issue at the time of the Conversion, conversion of the Oryx C Shares will not significantly change the financial position of the Oryx Shareholders.

2.2. *Impact on the total number of shares in issue*

The consideration is in the form of Oryx C Shares. Accordingly the share capital and share premium of Oryx will increase by the amount of the share capital issued under the terms of the Offer. Based upon the issue of up to 33,323,957 Oryx C Shares as set out in the Offer Illustration, the share capital of Oryx would increase by £16.7 million and the share premium of Oryx would increase by approximately £16.7 million.

The mechanism of conversion of the Oryx C Shares into Ordinary Shares has been determined with the aim that there is no material change to the Net Asset Value per share attributable to the Ordinary Shares or the Oryx C Shares as a result of the Conversion.

2.3. *Impact on the total assets of Oryx*

As a result of the Acquisition, the total assets of Oryx will increase by the total assets of Baltimore, less the costs associated with the Offer. Baltimore announced on 24 March 2006 that as at the 27 February 2006, following its admission to AIM and the completion of its acquisitions of Aquisitor and NYH, it had unaudited total assets of £31 million[1] as follows:

	£m
Fixed Assets	1
Investments	14
Debtors	1
Cash at Bank	15
	31

2.4. *Impact on the liabilities of Oryx*

As a result of the Acquisition, the liabilities of Oryx will increase by the amount of the liabilities of Baltimore. Baltimore announced on 24 March 2006 that as at the 27 February 2006, following its admission to AIM and the completion of its acquisitions of Aquisitor and NYH, it had liabilities of £2 million.

1. Source: Baltimore's preliminary results announcement for the year ended 31 December 2005, announced on 24 March 2006.

PART VIII

ADDITIONAL INFORMATION

1. Incorporation and administration

1.1. The Company was incorporated and registered with limited liability in Guernsey under the Companies (Guernsey) Laws 1908 to 1990 as a closed-ended investment company on 2 December 1994 with registered number 28917 under the name Oryx International Growth Fund Limited. The Company is domiciled in Guernsey and its registered office is Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, Channel Islands GY1 3NF, telephone number +44 (0)1481 707 000. The Company operates under the Companies Laws and the ordinances and regulations made thereunder. As at the date of this document, the Company has no subsidiaries. From the date on which the Offer becomes or is declared unconditional in all respects, Baltimore plc (incorporated in England and Wales), will become a subsidiary of the Company.

1.2. The Guernsey Financial Services Commission has granted its consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, for the circulation of this document insofar as it relates to the Offer.

1.3. The Company's accounting periods terminate on 31 March of each year.

2. Share capital

2.1. The Company was incorporated with an authorised share capital of £25,000,000 divided into 50,000,000 ordinary shares of 50 pence each of which two were issued nil paid as management shares initially to nominees of Consulta (Channel Islands) Limited and JO Hambro & Partners Limited to hold on trust. On 7 March 1996 the two management shares were transferred to nominees of Consulta (Channel Islands) Limited to hold on trust. On 23 December 2005 the two management shares were transferred to nominees of North Atlantic Value to hold on trust. The Oryx Shares were created under the Companies (Guernsey) Law 1908 to 1990, as amended.

2.2. In connection with the Initial Listing the Company reserved up to 14,000,000 Ordinary Shares for issue upon conversion of Convertible Loan Stock, exercise of Warrants and exercise of Management Options as follows:

	Ordinary Shares of 50 pence
Maximum committed for Warrants	3,000,000
Maximum committed for Convertible Loan Stock	10,000,000
Maximum committed for Management Options	1,000,000

2.3. As part of the Placing the Company authorised the creation of up to 3,000,000 Warrants to be issued on the basis of three Warrants for every ten shares issued in connection with the Placing. The rights in respect of the Warrants lapsed on 1 September 2004. As at the date of this document there are no outstanding Warrants. Further detail on the exercise of the Warrants for the period covered by the historical information is detailed in paragraph 2.7 below.

2.4. In connection with the Initial Listing, the Company created the Convertible Loan Stock. Conversion of the Convertible Loan Stock was permitted in April of each year from 1998 to 2005, any stock not converted by 31 May 2005 to be repaid at its par value of £1. As at the date of this document there is no outstanding Convertible Loan Stock. The summary immediately below provides further detail on the exercise of the Convertible Loan Stock for the period covered by the historical information:

2.4.1 during the period 1 April 2003 to 31 March 2004, 65,000 units of Convertible Loan Stock with a book value of £64,120 were converted for £64,120 and 50,0000 units of Convertible Loan Stock with a book value of £49,438 were repurchased by the Company for £75,150; and

2.4.2 during the period 1 April 2004 to 31 March 2005, 1,730,750 units of Convertible Loan Stock with a book value of £1,731,164 were converted for an amount of £1,731,164 and 325,000 units of Convertible Loan Stock with a book value of £323,665 were repurchased by the Company for £593,360.

Further details of these transactions are outlined in paragraph 2.7 below, together with summary information on any conversions since 31 March 2005.

2.5. The Company has confirmed that the Management Options were not exercised and, pursuant to the terms on which they were granted, have now lapsed.

2.6. In respect of the period covered by the historical financial information, and pursuant to the Articles the Company has authority to make market purchases of up to 14.99 per cent. of its Ordinary Shares. The Company's current authority to make purchases of its Ordinary Shares granted on 6 January 2006 will expire at the earlier of 6 July 2007 or at the conclusion of the 2007 Annual General Meeting of the Company. A renewal of the authority to make purchases of Ordinary Shares will be sought from Oryx Shareholders at each annual general meeting of the Company. The timing of any repurchases are decided by the Board in its absolute discretion.

2.7. At the time of the Initial Listing the Company's issued share capital was 9,185,750 Ordinary Shares. In the period from the Initial Listing up to 3 January 2003 and as a result of certain conversions of Convertible Loan Stock, the exercise of Warrants and repurchases by the Company, the Company's share capital was 8,098,231 Ordinary Shares. The following is a summary of the history of the Company's share capital since 3 January 2003:

Date	*Transaction*	*Amount*	*Balance*
			8,098,231
3 November 2003	Conversion from Loan Stock	65,000	8,163,231
4 March 2004	Repurchase by Company	(150,000)	8,013,231
11 March 2004	Repurchase by Company	(130,000)	7,883,231
5 August 2004	Repurchase by Company	(10,000)	7,873,231
31 August 2004	Conversion from Loan Stock	1,480,750	9,353,981
31 August 2004	Exercise of Warrants	687,336	10,041,317
16 September 2004	Conversion from Loan Stock	250,000	10,291,317
3 May 2005	Conversion from Loan Stock	250,000	10,541,317
27 May 2005	Balance from Unconverted Loan Stock	449,771	10,991,088
11 January 2006	Repurchase by Company	(15,557)	10,975,531
11 January 2006	Repurchase by Company	(4,943)	10,970,588
11 January 2006	Repurchase by Company	(155,000)	10,815,588
11 January 2006	Repurchase by Company	(9,500)	10,806,088
11 January 2006	Repurchase by Company	(50,000)	10,756,088
11 January 2006	Repurchase by Company	(75,000)	10,681,088
11 January 2006	Repurchase by Company	(10,000)	10,671,088
11 January 2006	Repurchase by Company	(5,000)	10,666,088

The Company's existing issued share capital as at 3 July 2006 (the latest practicable date prior to publication of this document) is 10,666,088 Ordinary Shares.

2.8. There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of any class of shares.

2.9. At the Oryx EGM, convened for 24 July 2006 an ordinary resolution, a summary of which is provided below, will be proposed subject to the approval by the Existing Oryx Shareholders of the Offer as follows:

2.9.1 subject to the Offer or such additional or other offer(s) becoming or being declared unconditional in all respects (save only for the condition of the Offer or such additional or other offer(s) relating to this resolution being passed or relating to the admission of the new C shares of 50 pence each in the capital of the Company to be issued pursuant to the Offer to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities becoming effective) the authorised share capital of the Company be increased from £25,000,000 to £45,000,000 by the creation of 40,000,000 C shares of 50 pence each, having the rights attaching thereto set out in the new Articles of Association to be adopted by the members.

2.10. In accordance with the Companies Laws and power granted to the Directors by the Articles, it is expected that the Oryx C Shares will be allotted pursuant to a resolution of the Board passed on 3 July 2006 conditional upon Admission.

2.11. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

2.12. The authorised share capital and the maximum issued share capital of the Company (all of which will be fully paid) immediately following the Offer becoming or being declared unconditional in all respects will be as follows:

	No. of Shares	*Authorised £ nominal*	*No. of Shares*	*Issued £ nominal*
Oryx Shares	50,000,000	£25,000,000	10,666,088	£5,333,044
Oryx C Shares	40,000,000	£20,000,000	33,323,957*	£16,661,978.50*

** Based on the illustration as set out in paragraph 2 of Part I of this document and assuming full acceptance of the Offer, assuming exercise of all options under the Baltimore Share Schemes and that new Baltimore Shares are issued on the exercise of those options in all cases, except for the options granted under the Baltimore plc 2002 Share Award Plan and the Baltimore plc 2005 Share Option Scheme where the options have been granted by the trustees of the Baltimore Employee Benefit Trust.*

2.13. Save as disclosed in this paragraph 2 and pursuant to the Offer, since the date of its incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is proposed to be issued, either for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital.

2.14. Arrangements are being made so that all the Oryx C Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

3. Directors' and other interests

3.1. In so far as is known to the Company, the interests of each Director, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company together with any options in respect of such capital immediately following the Offer becoming or being declared unconditional in all respects are set out below. All such Shares are and any C Share allotted and issued will be beneficially held by such Directors unless otherwise stated.

Directors	*Oryx Shares*	*Percentage Oryx Shares*	*Oryx C Shares*	*Percentage Oryx C Shares*
Nigel Cayzer	–	–	–	–
Christopher Mills	115,000	1.1	–	–
Rupert Evans	–	–	–	–
Sidney Cabessa	–	–	–	–
Colin Hannaway	–	–	–	–
Walid Chatila	–	–	–	–

3.2. No Director has a service contract with the Company nor are any such service contracts proposed. With the exception of Nigel Cayzer, who is entitled to a fee of £18,000 per annum, each Director is entitled to a fee of £12,000 per annum from the Company. In addition, all Directors are entitled to reimbursement of travel, hotel and other expenses incurred by them in the course of their duties relating to the Company. Please see paragraph 4.2.5(i) below for a summary of the provisions of the Articles which detail the circumstances in which a Director will be removed from office. In the event that a Director wishes to resign he does so by tendering his resignation to the Board which is accepted at a Board meeting. No Director of the Company has waived or agreed to waive future emoluments nor has any Director waived any such emolument during the current financial year. No commissions or performance related payments have been or will be made to the Directors by the Company

3.3. No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

3.4. None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

3.5. In addition to their directorships of the Company, the Directors are or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

Director	*Current directorships/partnership*	*Past directorships/partnership*
Nigel Cayzer	Aberdeen Asian Small Companies Investment Trust Plc Cayzer Continuation PCC Ltd Derby House Group Limited Derby House Limited Derby House Saddlery Limited Derby House Stabling Limited Milton (Peterborough) Estates Company Newtyle Quarry Company Limited Nigel Cayzer Consultancy Services Limited Oryx (2004) Fund Oryx Fund JIA Petsonthebrain.com (UK) Limited The Maggie Keswick Jencks Cancer Caring Centres Trust The Maggie Keswick Jencks Cancer Caring Centres Trust (Dundee) The Maggie Keswick Jencks Cancer Caring Centres Trust (Fife) The Maggie Keswick Jencks Cancer Caring Centres Trust (Glasgow) The Maggie Keswick Jencks Cancer Caring Centres Trust (Highlands) The Newtyle Property Company LLP	Alliance Housing Bank SAOG Caledonia Investments PLC Cam Equestrian Limited CGA Group Limited CTC (Guernsey) Limited CVS (UK) Limited European Equestrian Company Limited Highwood Farms Limited Mazedraw Limited MPG Holdings Limited Oryx Fund Limited Tileglobe Limited Vam Funds PLC Vam Ltd
Christopher Mills	Alliance One Inc. American Opportunity Trust plc Autotag Limited Boostcareer Limited Castle Acquisitions Plc Consolidated Venture Finance Limited Craftbutton Limited Cross Border Limited Cross-Border Publishing (London) Limited Darby Group Limited Deepenhart Limited DM Technical Services Limited Dowding and Mills Public Limited Company GEI Group Limited Glass America Inc. Growth Financial Services Limited Izodia Plc Jaffer Holdings Inc. JO Hambro Capital Management Group Limited JO Hambro Capital Management Limited Jarvis Porter Group Plc JOHCM Alternative Investments LLP Jubilee Investment Trust plc Langley Park Investment Trust Plc Lesco Inc. London Trust Productions Limited LOT Limited Mid-States plc Mr Carwash	Aberdeen Park Investments Limited Calenden Limited Denison International Plc Eborgate Developments Limited Eborgate Holdings PLC Eborgate Investments Limited Eborgate Properties Limited HCG Corporate Advisers Limited Hi-Tech Inc. H N Health Property Holdings Limited JO Hambro Capital Management (America) Limited JO Hambro Conning Grimston Plc JOHCM Retail Limited Knox D'Arcy Asset Management Limited Lindley Catering Limited Lonrho Africa Plc Masters Distributors Holdings Ltd Moss Financial Services Limited NASCIT1 Limited NASCIT2 Limited Nationwide Security Group Plc PHS Health Limited Platinum Investment Trust Plc PNC Telecom Premier Asset Management PLC Renowned Holdings Villages Limited Ryder Court Investments Limited Stanelco Plc The Hartstone Group Limited Tinopolis Plc (formerly Acquisitor Plc) Tweedwind Limited

Director	*Current directorships/partnership*	*Past directorships/partnership*
Christopher Mills *(continued)*	Nationwide Accident Repair Services Plc North Atlantic Smaller Companies Investment Trust Plc North Atlantic Value LLP Orthoplastics Limited Paramount Limited Primesco Inc. Progeny Inc. Santa Maria Foods Inc. Second London American Trust Plc Sterling Construction Inc. VTR Plc WH Energy Services Worldport Inc.	Tweedwind (Two) Limited United Industries PLC XN Checkout Holdings Limited
Rupert Evans	Assicurazioni Generali (Insurance Managers) Ltd Bank of Montreal Trust Company (CI) Ltd Barb Corporation BBBSA Strategic Management Limited C & G Channel Islands Ltd Caldwell Associates Ltd Cassone Limited Cayzer Continuation PCC Limited Challenger Investments Limited Consulta Alternative Strategy Holdings Limited Consulta Alternative Strategy Fund PCC Ltd Consulta Canadian Energy Fund Ltd Consulta Capital Holdings Limited Consulta (Channel Islands) Ltd Consulta Capital Fund PCC Ltd Consulta Collateral Fund PCC Limited Consulta Collateral Holdings Limited Consulta Emerging Markets Debt Fund Limited Consulta Hedge Funds Limited Consulta High Yield Fund PCC Limited Consulta High Yield Holdings Limited Consulta Technology Fund Limited Consulta Trust Company (Channel Islands) Limited Dawn (Guernsey) Limited Eagle & Dominion EuroAmerican Growth Fund Ltd FF & P Alternative Strategy Income PCC Limited FF & P Alternative Strategy Income Subsidiary Limited FF & P Asset Management (Cayman) Limited FF & P Asset Management (Guernsey) Limited FF & P Russia Real Estate Limited FF & P Venture Fund PCC Limited First Apollo Limited First Gemini Limited Hope Investments Limited HSBC Private Bank (Guernsey) Limited Impkemix Trustee Ltd	Asian Land Fund Ltd Aviva Funds International Limited BC Property Holdings Limited BC Property Securities Limited Brock Holdings Limited Caledonia Realisation Limited CTC (Guernsey) Limited Consulta Hedge (Holding) One Limited Consulta Hedge (Holding) Two Limited Consulta Hedge (Holding) Three Limited Consulta Hedge (Holding) Four Limited Consulta Hedge (Disposal) Limited Consulta Smaller Companies Fund Limited (IVL) Courtil Holdings Ltd Doric Limited Dragon (Guernsey) Limited FF & P (Guernsey) Limited FF & P Venture Fund II Limited Fifth Ovalap Limited Financial Investment Portfolio Co Limited First Ovalap Limited Fourth Ovalap Limited Global Technology Growth Fund Limited Home Investments Limited HSBC Republic Reinsurance (Guernsey) Limited Indochina Asset Management Limited Ionic Limited Investec Asset Management Guernsey Limited (formerly Investec Guinness Flight Fund Managers Limited) Invesco GT Asset Management Guernsey Limited Jomer (Guernsey) Trustees Ltd JT Limited Lazard Fund Managers (Guernsey) Limited Legis BVI Limited Legis Group BVI Limited

Director	*Current directorships/partnership*	*Past directorships/partnership*
Rupert Evans *(continued)*	Invesco International (Guernsey) Limited Investec Bank (Channel Islands) Limited Lapco Limited Legis Corporate Services Limited Legis Group Limited Lundie Limited Maersk Offshore (Guernsey) Limited Master Capital Fund Limited Monitor Fund Ltd New Star Asset Management (Guernsey) Limited New Star Hedge Fund Limited Nippon Growth Fund Limited North American Banks Fund Limited Norton Waverley (Guernsey) Limited Norton Waverley Insurance PCC Limited NS Limited NS Two Limited Number One Limited Ovaco Limited Personal Holdings Limited Property Income & Growth Fund Limited Property Income & Growth Fund Frimley SPV Limited Prospect Asset Management (CI) Ltd Prospect Japan Fund Limited Rocknest (Guernsey) Limited Second Apollo Limited Second Gemini Limited Socwall Holdings Limited Southwark Investments Limited Strategic Euro Multi Hedge Limited Strategic Evarich Japanese Fund Limited Strategic Evarich USD Holdings Limited Strategic Fixed Income Opportunities Limited Strategic Fund Limited Strategic Multi Hedge Fund Limited Strategic US Opportunities Fund Limited The Global High Yield Bond Trust Limited Towers Perrin Eagle Star Share Plan Services (Guernsey) Limited Windward Overseas Limited WP Holdings Limited	Legis Insurance Services Limited Legis Maritime Services Limited Legis Nominees Limited Legis Trust Limited Legis UK Limited Merrill Lynch Investment Managers (Channel Islands) Limited Morley Investment Alternative Strategy Fund Nomos Trustees Limited Onthebrain.com Limited Oryx Fund Limited Ovalap Nominees Limited Ozannes (Partnership) Ozannes Securities Limited Painewebber Trust Co (Guernsey) Ltd Paragon Asset Management Limited Pharmacia & Upjohn Company Limited Property Income & Growth Fund Cheltenham SPV Limited Raintree Global Fund Ltd SB Insurance Limited SCM Limited Second Ovalap Limited Sixth Ovalap Limited Thame Insurance Company Limited The 450 Wirefree Systems Fund Limited Third Ovalap Limited Thornton Management (Guernsey) Ltd The Slovenian Fund Management Co (Guernsey) Limited Underhill Company Limited W2 Limited Whittome Holdings Limited
Sidney Cabessa	CIC Banque de Vizille S.A. CIC Capital Developpement S.A. CIC Finance S.A. CIC LBO Partners S.A. CM-CIC Capital Privé S.A. CM-CIC Securities S.A. Coteba S.A. Credit Industriel de Normandie S.A. Fonciere LFPI S.A. Fonciere Sagesse Retraite S.A.S HRA Pharma S.A. IMS International Metal Service S.A.	Club de Development PPR S.A. Continentale D'enterprises S.A. Sandinvest S.A.

Director	*Current directorships/partnership*	*Past directorships/partnership*
Sidney Cabessa *(continued)*	Institut de Participations de L'Ouest S.A. J.O. Hambro Capital Management Limited Media Participations S.A. Nature et Découvertes S.A. Novarte-Vivarte S.A. Sebia S.A. The Carlyle Group (Luxembourg)	
Colin Hannaway	None	Trustees Executors Limited
Walid Chatila	Lenssky Limited	None

3.6. At the date of this document, and save as disclosed herein, none of the Directors:

3.6.1 has any convictions in relation to fraudulent offences for at least the previous five years;

3.6.2 has been bankrupt, a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or liquidation during the five years prior to the date of this document;

3.6.3 has been subject to any official public incrimination or sanction of him by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, during the five years prior to the date of this document.

3.7. Nigel Cayzer is a director of Petsonthebrain.com (UK) Ltd which entered into a company voluntary arrangement with its creditors on 6 February 2001.

In addition, Mr Cayzer is a former director of Mazedraw Limited and Cam Equestrian Limited. Mr Cayzer resigned from the boards of Mazedraw Limited and Cam Equestrian Limited on 25 March 2002. The members of each of Mazedraw Limited and Cam Equestrian Limited resolved to wind up each of those companies on 20 May 2002. Furthermore, Mr Cayzer was a director of the following companies when they entered into members voluntary liquidations:

Name of company	*Date entered into liquidation*
CTC (Guernsey) Limited	4 March 2005
Oryx Fund Limited	14 October 2004

3.8. Rupert Evans was a director of the following companies when they entered into members' voluntary liquidations:

Name of company	*Date entered into liquidation*
Aviva Funds International Limited	5 January 2006
BC Property Securities Limited	13 June 2005
Consulta Smaller Companies Fund Limited	10 September 2002
Courtil Holdings Ltd	31 January 2005
CTC (Guernsey) Limited	4 March 2005
Dragon (Guernsey) Limited	31 December 2004
Financial Investments Portfolio Co. Limited	31 December 2001
FF & P (Guernsey) Limited	11 December 2003
FF & P Venture Fund II Limited	12 December 2004
Global Technology Growth Fund Limited	31 August 2002
Invesco GT Asset Management Nominees Limited	30 September 2004
Jomer (Guernsey) Trustees Ltd	17 April 2003
Lazard Fund Managers (Guernsey) Limited	9 June 2004
Oryx Fund Limited	14 October 2004
Thame Insurance Company Limited	17 February 2005
Thornton Management (Guernsey) Ltd	6 August 2003
The Slovenian Fund Management Co (Guernsey) Limited	14 June 2005
The 450 Wirefree Systems Fund Limited	22 February 2006
W2 Limited	31 December 2004

3.9. Christopher Mills was a director of the following companies when members' resolutions winding up those companies were passed:

Name of company	*Date resolution passed*
Master Distributor Holdings Limited	22 November 2004
JO Hambro Conning Grimston Limited	31 May 2001
HCG Corporate Advisers Limited	31 May 2001
Eborgate Holdings PLC	18 November 2003
Eborgate Properties Limited	18 November 2003
H N Health Property Holdings Limited	10 October 2001
J O Hambro Capital Management (America) Limited	4 September 2003
JOHCM Retail Limited	4 September 2003
Masters Distributors Holdings Limited	17 November 2004
NASCIT1 Limited	10 October 2001
NASCIT2 Limited	10 October 2001
PHS Health Limited	10 October 2001

Mr Mills was a director of Nationwide Security Group PLC when an administrative receiver was appointed on 16 February 2000. The receivers realised sufficient assets to repay all creditors and make a small distribution. Administrators were appointed to PNC Telecom PLC on 23 June 2003 and the administration order was discharged (and PNC Telecom PLC resumed business) on 15 January 2004. Christopher Mills was a director of PNC Telecom PLC until his resignation on 3 February 2003.

3.10. Save as disclosed in paragraphs 6 and 8 of Part II of this document in respect of Christopher Mills, none of the Directors has any potential conflict of interest in respect of the Company.

3.11. Save as disclosed in paragraphs 6 and 8 of Part II of this document in respect of Christopher Mills, none of the Directors carries on any significant activities outside of the Company which may be significant to the Company.

3.12. Mr Hannaway was appointed to the Board of Oryx as a de facto representative of a substantial shareholder in the Company. Mr Hannaway has no arrangement with the shareholder as to how to vote at meetings of the Board of Oryx though he is in regular contact with them concerning various Company related matters.

3.13. The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

3.14. The business address of the Directors is Arnold House, St.Julian's Avenue, St Peter Port, Guernsey, Channel Islands GY1 3NF.

3.15. The Companies Laws impose no requirement on Shareholders in the Company to disclose holdings of 3 per cent. (or any greater limit) or more of any class of the share capital of the Company. All holders of shares in the Company have equal voting rights based on the number of shares held (save that the Directors may decline to accept the vote of any US Person).

3.16. The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or immediately following the Offer becoming or being declared unconditional in all respects could exercise control over the Company.

4. Memorandum and articles of association

4.1. *Summary of the Company's Objects*

Clause 3 of the Company's Memorandum of Association provides that the Company's objects include undertaking and carrying on the business of an investment company and acquiring, investing in and holding shares, stocks, units, interests in limited partnerships, bonds, bills, notes, deposits, certificates of deposit, debentures and debenture stocks, obligations, mortgages, options, warrants, futures, contracts for differences, commodities, currencies, policies of assurance and securities of all kinds, issued or guaranteed by any government sovereign ruler, commissioners, public supra-national body or authority, supreme, municipal, local or otherwise in the member states of the European Union ('Europe') or in any other part of the world or by an individual or by any company, corporation, mutual fund, unit trust, association, partnership or undertaking of whatever nature whether with limited or unlimited liability constituted or carrying on business within Europe or in any other part of the world. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the address specified below.

4.2. *Articles of Association*

The definitions in the Articles of Association shall apply in this paragraph 4.2 to the exclusion of definitions used elsewhere in this document. The Articles of Association of the Company, which are available for inspection at the address specified below, contain inter alia provisions to the following effect:

4.2.1 *Variation of rights and alteration of capital:*

(a) Subject to the Companies Laws, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares.

(b) The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

Subject to the Companies Laws, the Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to issue of the new shares.

The new shares will be subject to all the provisions of the Articles with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

(c) The Company may from time to time by ordinary resolution:

(i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Companies Laws) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(iii) Cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled:

and may also by special resolution:

(iv) Subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account in any manner.

4.2.2 *Issue of Shares:*

(a) Subject to the provisions of the Companies Laws, the unissued shares of the Company (whether forming part of the original or any increased share capital) will be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine, provided that no Shares shall be offered to any person unable to satisfy the Directors that such person is not resident in Guernsey, Alderney or Herm for the purposes of liability to Guernsey income tax.

Note: There are no provisions of Guernsey law equivalent to Sections 89-96 of the Companies Act 1985 (pre-emption rights on the allotment of equity securities for cash).

(b) Preference Shares may be issued by either the Board or by an ordinary resolution on terms that they are or, at the option of the Company or the holder are liable to be, redeemed on such terms and in such manner as the Company determines by ordinary resolution before the issue or, if not determined by ordinary resolution, as the Board may determine.

4.2.3 *Transfer of Shares:*

(a) Subject to such of the restrictions of the Articles as may be applicable any Member may transfer all or any of his Shares by an instrument of transfer in the usual common form or in any other form which the Directors may approve.

The Instrument of transfer of a Share must be signed by or on behalf of the transferor and (in the case of a partly paid Share) the transferee, and the transferor will be deemed to remain the holder of the Share until the name of the transferee is entered in the register in respect thereof. All instruments of transfer when registered, may be retained by the Company.

The Directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share if the nominal value or premium payable thereon remains unpaid or over which the Company has a lien. Where a Shareholder has failed to comply with a notice from the Directors requiring the disclosure of the identity of any person, other than a Shareholder, who has an interest in the Shares, the Shareholder shall not be entitled to vote at meetings and the Directors may restrict the transfer of those Shares.

The Directors may also decline to register any transfer unless:

(i) the instrument of transfer is lodged with the Company accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one class of Share; and

(iii) in the case of the transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four.

If the Directors decline to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

No fee may be charged by the Company for registering any transfer or other document relating to or affecting the title to any Share, or for otherwise making any entry in the register relating to any Share.

In the case of death of any one of joint holders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to the interest of the deceased joint holder in the Shares registered in the names of such joint holders.

(b) If it shall come to the notice of the Directors that a registered holder or beneficial owner of any Share is or may be a Non-Qualified Person (as defined below), the Directors may at any time serve a notice on such Non-Qualified Person requiring the transfer of the relevant interest in the relevant Shares to a person who is not a Non-Qualified Person. If a stock transfer form so transferring the Shares and the relevant Share certificate(s) has not been received at the registered office of the Company within 28 days of service of the notice (or the person to whom such notice is addressed does not within such period satisfy the Directors that the requirements of the notice have been satisfied), the Company may sell the relevant Shares on behalf of the holder of the Shares by instructing a member of the London Stock Exchange to sell them (in accordance with the best practice then pertaining) to a person who is not a Non-Qualified Person.

To give effect to any sale of Shares pursuant to this Article the Directors may authorise some person to transfer the Shares in question and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or person entitled by transmission to, the Shares. The purchaser will not be bound to see the application of the purchase moneys nor will his title to the Shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled by transmission to, the Shares for an amount equal to the net proceeds. No trust will be created in respect of the debt and no interest will be payable in respect of it and the Company will not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

The Directors may, at any time, require the registered holder of any Shares to provide evidence that the registered holder and beneficial owner of any Shares is not a Non-Qualified Person, and that such Shares have not been acquired for the account or for benefit of any Non-Qualified Person or with a view to offering or selling the Shares to a Non-Qualified Person or in any jurisdiction in which an offer or sale of Shares would not be permitted in the manner contemplated. Nothing in this paragraph or the two preceding paragraphs will apply to a registered holder or beneficial owner of any Shares who is a depositary approved by the Directors (or any nominee for such a depositary) for the purpose of the issue by such depositary of bearer depositary receipts in respect of the Shares held by such depositary and otherwise on terms approved by the Directors.

For the purposes of the preceding three paragraphs, a 'Non-Qualified Person' includes any such person (i) whose holding or continued holding of Shares would be in breach of any laws or requirements of any country or governmental authority or in circumstances (whether directly or indirectly affecting such persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company or any other holder of Shares incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered, (ii) would or would be likely to cause the assets of the Company to be considered 'plan assets' within the meaning of the Regulations adopted under the United States Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the United States Internal Revenue Code of 1986, as amended, or (iii) would or might result in the aggregate number of US Persons who are beneficial owners of Shares, any warrants to subscribe Shares or any loan stock issued by the Company being or exceeding 75 (whether directly or by attribution), or (iv), without prejudice to the foregoing, who is a US Person other than a person who is an 'Accredited Investor' and who has acquired Shares, any warrants to subscribe Shares or any loan stock issued by the Company pursuant to an investment letter executed by such person addressed to the Company and in a form approved by the Directors or who is a Qualified Institutional Buyer within the meaning of Rule 144A under the United States Securities Act of 1933, as amended.

The Directors may issue a notice requiring any Member to disclose to the Company the identity of any person other than the Member who has any interest in the shares in the Company held by the Member and the nature of such interest. If the Member fails to respond to the notice within such reasonable time as the Directors shall determine, then the Directors may serve a direction notice upon such Member. This direction notice may direct that the Member shall not be entitled to vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other rights conferred by membership. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that:

(i) in respect of the default shares any dividend which would otherwise be payable shall be retained by the Company and there will be no liability on the Company to pay interest; and

(ii) no transfer other than an approved transfer of any shares shall be registered unless the Member is not in default as regards supplying the information and the transfer is of part only of the Member's holding and is accompanied by a certificate by the Member certifying that the Member has made enquiry and is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

4.2.4 *Voting rights:*

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, on a show of hands every member who is present in person or by proxy at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every 50 pence nominal amount of share capital of which he is the holder, provided that the Directors may decline to accept the vote of any US Person who, otherwise than pursuant to an exemption available under the United States securities law or with the prior written approval of the Company, is the registered or beneficial owner of Shares.

4.2.5 *Directors:*

(a) Unless and until otherwise determined by ordinary resolution of the Company, the Directors (disregarding alternate Directors) will be not less than two nor more than 15 in number. A majority of Directors shall be resident outside the United Kingdom.

(b) No shareholding qualification for Directors will be required.

(c) Without prejudice to the power of the Company in general meeting in pursuance of any of the Articles to appoint any person to be a Director and subject to the Companies Laws, the Directors have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors may not at any time exceed any maximum number fixed by or in accordance with the Articles. Any Director so appointed by the Directors shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

(d) At every annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to one-third, will retire from office.

(e) The Directors may from time to time appoint one or more of its body to be a Managing Director or to hold any other employment or executive office with the Company for such period (subject to the Companies Laws) and upon such terms as the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as foresaid will be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

An executive Director may receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and either in addition to or in lieu of his remuneration as a Director.

(f) Each of the Directors will (unless such Director otherwise agrees) be paid a fee at such rate as may from time to time be determined by the Directors provided that the fees so paid (excluding amounts payable under any other Article) will not exceed an aggregate of £150,000 per annum (or such higher amount as may from time to time be determined by ordinary resolution of the Company). Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Board or general meetings or any other meeting which as a Director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides outside the jurisdiction in which he normally resides for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine and such extra remuneration will be in addition to any remuneration provided for by or pursuant to the Articles.

(g) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Directors after he knows that he is or has become so interested. For the purposes of the Articles, a general notice to the Directors by a Director to the effect that (i) he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (ii) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, will be deemed to be a sufficient declaration of interest under the Articles in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

(h) Save as otherwise provided by the Articles a Director may not vote (nor be counted in the quorum) on any resolution of the Directors in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote will not be counted, but such prohibition will not apply to any of the following matters namely:

  (i) any contract or arrangement for giving such Director any security, guarantee or indemnity in respect of money lent by him or obligation undertaken by him for the benefit of the Company;

  (ii) any contract or arrangement for the giving by the Company of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company for which the

Director has himself assumed responsibility or has given any security, guarantee or indemnity in whole or in part;

(iii) where the Company is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;

(iv) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof, or to underwrite any shares, debentures or other securities of the Company;

(v) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(vi) any contract or arrangement concerning any other company (not being a company in which the Director owns 1 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(vii) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

(viii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom such arrangement relates.

Note: Neither the Companies Laws nor the Articles contain any provision which disqualify any person from being appointed a Director or requires him to vacate the office of Director by reason only of the fact that he has attained 70 years or any other age.

(i) A Director will be disqualified from acting in the following circumstances:

(i) if without agreement of the Board, he is absent from a meeting of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated;

(ii) if he becomes of unsound mind or incapable;

(iii) if he becomes insolvent suspends payment or compounds with his creditors;

(iv) if the Company in general meeting resolves that he shall cease to be a Director; or

(v) if he is requested to resign by written notice signed by all his co-Directors.

In the event that the Director is not holding an executive office for a fixed term which is subject to termination, a Director may resign his office by written notice signed by him and sent to or deposited at the Company's registered office.

4.2.6 *Borrowing powers:*

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

(b) The Directors must restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only insofar as by the exercise of such rights or powers of control the Directors can secure) that the aggregate principal amount from time to time outstanding of all borrowings (as defined in the Articles, which excludes the convertible stock) by the Group (as also defined in the Articles) (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 40 per cent. of the Adjusted Capital and Reserves (as defined in the Articles).

Note: These provisions, in common with the Articles of Association generally, can be varied by a special resolution of the Company.

4.2.7 *Dividends:*

(a) Subject to the Companies Laws and as hereinafter set out, the Company in general meeting may from time to time declare dividends to be paid to the Shareholders according to their rights and interests in the profits available for distribution, but no dividend may be declared in excess of the amount recommended by the Directors. Shares of profits of associated companies will not be available for dividend unless and until distributed to the Company.

(b) Except in so far as the rights attaching to, or the terms of issue of any Share otherwise provide:

(i) dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividends is paid, but no amount paid up on a Share in advance of calls will be treated for the purposes of the Articles as paid up on the Share; and

(ii) dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.

(c) The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the position of the Company; the Directors may also pay any fixed dividend which is payable on any Shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the Directors, justifies such payment.

(d) Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend will be forfeited and will revert to the Company and the payment by the Directors of any unclaimed dividend, interest or other sum payable on or in respect of a Share into a separate account will not constitute the Company a trustee in respect thereof.

(e) The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the Directors, be applicable for any purpose for which the profits of the Company may be property applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The directors may also without placing the same to the reserve carry forward any profits which it may think prudent not to distribute.

(f) The Directors may decline to pay dividends or other distributions to any US Person who, otherwise than pursuant to an exemption available under the United States securities laws or with the prior written approval of the Company, is the recorded or beneficial owner of Shares.

4.2.8 *Winding up*

The Shares carry a right to repayment (from the assets available for distribution to Shareholders) of the nominal capital paid up in respect of such Shares and the right to share in surplus assets on a winding up of the Company.

4.2.9 *Resolution to wind up the Company*

The Directors shall put a special resolution to Shareholders resolving to wind up the Company at the annual general meeting of the Company to be held in 2007 and every two years thereafter.

4.2.10 *General Meetings*

The annual general meeting of the Company will be held in Guernsey. Notices convening the general meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' Report and Accounts of the Company) will be sent to Shareholders, Warrantholders and Stockholders at their registered addressed not later than 21 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law.

4.2.11 *Purchase of Shares*

Subject to the Companies Laws, the Company may purchase its own Shares. The Company and its subsidiary Companies may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of Shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of Shares in the Company.

5. Material contracts

5.1. *Material contracts of Oryx*

Set out below are details of:

1. each material contract, other than a contract entered into in the ordinary course of business, to which the Company is a party and which has been entered into during the two years immediately preceding the date of this document; and

2. all other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company and which contain provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

5.1.1 Pursuant to an agreement between Bank of Bermuda (Guernsey) Limited (the "Original Custodian") and the Company dated 16 February 1995 (the "Custodian Agreement") the Company appointed the Original Custodian to provide registrar and certain other administrative services including maintenance of the register of shareholders of the Company, together with a register of any warrantholders or holders of convertible stock in the Company, as relevant. Pursuant to a novation agreement between the Company, the Original Custodian and HSBC Custody Services (Guernsey) Limited (the "Custodian") the obligations of the Original Custodian were novated to the Custodian. The Custodian provides custodian services and is responsible for the safekeeping of the securities and the cash of the Company.

Under the Custodian Agreement the Custodian is entitled to receive the following:

(a) in respect of its services as custodian, a fee at the rate of 0.075 per cent. per annum on the first £15 million and 0.05 per cent. of any excess in each case of the Net Asset Value subject to a minimum of £10,000 per annum;

(b) in respect of its services as registrar a fee of £1,000 per register per annum, in each case plus a fee per transaction.

The Custodian Agreement may be terminated by either the Company or the Custodian giving to the other not less than twelve months' written notice or earlier on certain breaches or the insolvency of either party.

Pursuant to the terms of a termination letter from the Custodian to the Company dated 3 July 2006, the Custodian and the Company agreed that the Custodian would no longer provide the services as registrar to the Company.

5.1.2 By an agreement between the Company and J O Hambro Capital Management Limited dated 14 May 2002 (the "Investment Management Agreement") and a novation agreement between the Company, J O Hambro Capital Management Limited and the Investment Manager dated 29 December 2003 (the "Novation Agreement") the Investment Manager was appointed to provide investment management services to the Company.

Under the terms of the Investment Management Agreement the Investment Manager receives a management fee of 1.25 per cent. on the first £15,000,000 and 1 per cent. of any excess, in each case of the net asset value (as defined in the Articles) of the Company except that any liability of the Company in respect of the repayment of Convertible Loan Stock constituted by the Trust Deed dated 1 March 1995 is excluded. Such fee is calculated on the last business day of each month and is payable monthly in arrears. The Investment Manager is entitled to be reimbursed for out-of-pocket costs and expenses incurred in relation to the provision of these services.

The Investment Management Agreement can be terminated by either the Company or the Investment Manager giving to the other twelve months' written notice. The Company has the right to terminate the Investment Management Agreement with 4 months' written notice in the event that Christopher Mills dies or leaves the Manager's employment or if Christopher Mills does not provide investment management services to the Company for a period of more than 21 days without the Company's prior written consent. In the event of the above circumstances the Investment Manager has the opportunity to suggest an alternative investment manager. The Investment Management Agreement can be terminated by the Company immediately on the insolvency of the Investment Manager.

Pursuant to the Novation Agreement J O Hambro Capital Management Limited was released from the Investment Management Agreement. In addition, the Investment Manager has agreed to indemnify J O Hambro Capital Management Limited in respect of certain liabilities for which J O Hambro Capital Management Limited would have been liable but for the release and discharge.

5.1.3 Pursuant to an agreement between the Company and HSBC Securities Services (Guernsey) Limited ("HSBC Securities") dated 16 February 1995 (the "Administration and Secretarial Agreement")

HSBC Securities agreed to act as secretary and administrator of the Company and to provide administrative services to the Company.

Under the Administration and Secretarial Agreement, HSBC Securities receives an annual fee equivalent to 0.1 per cent. on the first £20 million and 0.05 per cent. of any excess, in each case of the net asset value (as calculated in accordance with the Articles). The fee accrues daily and is calculated on the last business day of each month and is payable month in arrears. HSBC Securities is also entitled to receive out-of-pocket expenses.

The Administration and Secretarial Agreement may be terminated by either the Company or HSBC Securities giving to the other not less than twelve months' written notice or earlier on certain breaches or the insolvency of either.

5.1.4 An offshore registrar agreement between the Company and Capita IRG (CI) Limited (the "Registrar") dated 3 July 2006 (the "Registrar's Agreement") whereby the Registrar was appointed to provide a registration and transfer office in Guernsey and to follow all reasonable and proper instructions as shall be given to it by the Company in accordance with the terms of the Registrar's Agreement. The Company indemnifies the Registrar and its agents, officers and employees from and against certain liabilities arising in connection with the performance of the Registrar's duties under the Registrar's Agreement. Other than in the case of fraud, the aggregate liability of the Registrar and its agents, officers or employees is the lesser of £1,000,000 or 10 times the annual fee payable to the Registrar under the Registrar's Agreement. The fees payable by the Company for the services provided by the Registrar include: (i) a minimum per annum of £3,500 for operating shareholders accounts (on the basis of £2.00 per shareholder account per annum); (ii) £1,500 for the maintenance of the shareholder register in Guernsey and for the provision of a UK transfer agent; (iii) between 20 pence and 70 pence for transfers of shares; and (iv) disbursements and fees for any additional services requested.

The key provisions of the Registrar's Agreement relating to termination include the provision that it can be terminated by the Company or the Registrar giving to the other not less than three months' notice (the Company shall not serve notice until the expiration of one year following the execution of the Registrar's Agreement).

5.2. *Material contracts of the Baltimore Group*

The following are all the contracts (not being contracts entered into in the ordinary course of business) that, so far as the Directors of Oryx are aware based on publicly available information, have been entered into by any member of the Baltimore Group within the two years immediately preceding the date of this document and are, or may be, material to the Baltimore Group or have been entered into by any member of the Baltimore Group at any time and contain a provision under which any member of the Baltimore Group has any obligation or entitlement which is material to the Baltimore Group at the date of this document:

5.2.1 an amalgamation agreement dated 17 January 2006 between Baltimore, Baltimore Bermuda Limited and Acquisitor pursuant to which Baltimore Bermuda and Acquisitor have agreed to amalgamate under the provisions of the Companies Act 1891 of Bermuda, such amalgamation to be conditional upon the satisfaction or waiver by Baltimore of each of the conditions of the Acquisitor Amalgamation. The amalgamation shall become effective upon the issuance by the Bermuda Registrar of Companies of a certificate of amalgamation;

5.2.2 an implementation agreement dated 17 January 2006 between Baltimore and NYH pursuant to which the parties agreed to use their reasonable endeavours to effect the NYH Amalgamation and including certain undertakings of Baltimore to make any necessary filings and hold any necessary director and shareholder meetings to facilitate the NYH Amalgamation;

5.2.3 an agreement dated 17 January 2006 between Baltimore and Seymour Pierce pursuant to which Seymour Pierce agreed to advise Baltimore in relation to Admission. In consideration of their services in connection with Admission, the Company shall pay to Seymour Pierce a fee of £200,000, together with the legal and other out-of-pocket expenses of Seymour Pierce. The agreement contains representations and warranties from Baltimore in relation to this document and the business, operations and financial performance of the Baltimore Group and an indemnity in favour of Seymour Pierce for any loss it may suffer in connection with Admission;

5.2.4 an agreement dated 7 November 2005 between Acquisitor and NYH pursuant to which Acquisitor has appointed NYH to provide advice and assistance in relation to the analysis and research of prospective acquisitions, divestitures or investments. The initial term of the agreement is from 1 June 2005 to 31 May 2008 and the agreement will then continue on a rolling three-year basis. Under the agreement Acquisitor has agreed to pay NYH a fee, payable monthly in arrears, equal to 2 per cent of the net asset value of Acquisitor based on Acquisitor's latest accounts, to be adjusted at the end of each six month accounting period. The agreement is terminable by either party giving the other three years written notice on or after 1 June 2008. Either party is also entitled to terminate the agreement at any time by notice in writing if the other commits any material breach of its obligations under the agreement and (if such breach is capable of remedy) it fails within thirty days of receipt of notice requiring it to do so to make good such breach. In addition, NYH is entitled to terminate its appointment under the agreement at any time by notice in writing if Acquisitor suffers certain insolvency events or if a replacement adviser is appointed by Acquisitor;

5.2.5 an agreement dated 19 July 2005 between Baltimore and NYH pursuant to which Baltimore has appointed NYH to provide advice and assistance in respect of prospective acquisitions, divestitures or investments. The agreement commenced on 6 July 2004 and will continue until either party terminates it upon three years written notice. Under the agreement Baltimore has agreed to pay NYH a fee, payable monthly in arrears, equal to 0.167 per cent of the net asset value of Baltimore based on Baltimore's monthly management accounts, to be adjusted and reconciled upon publication of Baltimore's year-end audited accounts. Either party is also entitled to terminate the agreement at any time by notice in writing if the other commits any material breach of its obligations under the agreement and (if such breach is capable of remedy) it fails within thirty days of receipt of notice requiring it to do so to make good such breach. Either party is also entitled to terminate the agreement at any time by notice in writing if the other suffers certain insolvency events or if a replacement adviser is appointed by Baltimore; and

5.2.6 a sale and purchase agreement dated 20 June 2005 between Baltimore Technologies Limited and CCH Domains, LLC pursuant to which Baltimore Technologies agreed to sell the domain name "Baltimore.com" to CCH Domains for a total consideration of US$500,000 of which US$200,000 was due within 45 days of the date of execution of the agreement and the remaining US$300,000 is due in equal annual instalments of US$50,000 from 2008 with the final instalment due no later than 30 June 2013. The sale will not complete until Baltimore Technologies receives all of the consideration and upon any change of control of CCH Domains, if at that time the domain name is owned by CCH Domains, the domain name will revert to Baltimore Technologies. The agreement is terminable by Baltimore Technologies if CCH Domains defaults in making payments on any monies owed or fails to maintain a commercial working website on the domain name or is otherwise in breach of the terms of the agreement and fails to cure such default within thirty days of receipt of written notice of it by Baltimore Technologies. CCH Domains shall have no recourse whatsoever upon termination nor shall it recover any of the monies paid or owed as at the date of termination. The agreement is governed by New York law.

6. Litigation

6.1. The Company is not, nor has been since its incorporation, involved in any governmental, legal or arbitration proceedings. So far as the Company is aware, there are no governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or have since incorporation of the Company had, a significant effect on the Company's financial position or profitability.

6.2. On 22 July 2004 earthport plc issued a claim for fraudulent representation, negligent misstatement and breach of contract against Baltimore in the High Court of England and Wales with an estimated value of £13 million. The claim was settled on 6 July 2005 by terms of a settlement under which earthport plc withdrew the claim against Baltimore and paid £300,000 to Baltimore in respect of its costs in defending the claim.

6.3. Cryptomathic (Denmark) has claimed against Baltimore for an alleged breach of intellectual property on a project carried out for a consortium of Scandinavian banks to implement software systems in Norway in 2001. Cryptomathic alleged that Baltimore, in implementing the project, had breached Cryptomathic's patent rights. As at 18 January 2006 Baltimore stated that it did not consider that this claim would be successful. Since then, so far as Oryx is aware, Baltimore has not made any further public announcement concerning the status or clarification of the quantum of this claim.

6.4. Other than the matters disclosed in paragraphs 6.2 and 6.3 above the Oryx Board believe that, on the basis of publicly available information, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Baltimore is aware) during the past 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial profitability of the Baltimore Group.

7. Taxation

The following summary represents advice received by the Directors of the Company concerning taxation legislation in Guernsey and the United Kingdom.

7.1. *Guernsey*

7.1.1 *The Company*

The Company is incorporated and registered in Guernsey.

7.1.2 *Investors*

No capital gains tax, death duties, inheritance taxes, wealth taxes or value added taxes are levied in Guernsey. No stamp duty is payable in Guernsey on the creation or transfer of Shares.

No withholding tax is payable in Guernsey in respect of any dividends paid on Shares held by persons resident outside Guernsey, Alderney and Herm.

7.2. *The United Kingdom*

7.2.1 *Investors*

Subject to their personal circumstances, holders of Shares who are resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of any dividends of the Company.

Individual holders of Shares who are resident or ordinarily resident in the United Kingdom for taxation purposes will, unless holding Shares as securities to be realised in the course of a trade (when different rules apply), be liable subject to their personal circumstances to United Kingdom capital gains tax in respect of future gains arising from the sale, redemption or other disposal of their Shares.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the controlled foreign companies provisions contained in Chapter IV of Part XVII of the Taxes Act could be material to any United Kingdom resident company that either alone or together with certain associated persons, has an interest in such number of Shares as would enable HM Revenue & Customs to apportion to that company or to any person who is connected or associated with that company 25 per cent or more of the "chargeable profits" of the Company, if at the same time the Company is controlled by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes. The Company's chargeable profits for this purpose do not include its capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom (and who, if individuals, are domiciled in the United Kingdom) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person who holds in aggregate 10 per cent or more of the Shares if at the same time the Company is controlled in such a manner as to render it a company that would, were it to have been resident in the United Kingdom, be a "close" company for United Kingdom taxation purposes. The provisions could, if applied, result in such a person being treated for the purposes of United Kingdom taxation of chargeable gains as if part of any gain accruing to the Company (such as on a disposal of any of its investments) that constitutes a chargeable gain for those purposes had accrued to that person directly, that part being equal to the proportion of the assets of the Company to which that person would be entitled on a liquidation of the Company at the time when the chargeable gain accrued to the Company.

Except in the case of a corporate shareholder owning directly or indirectly not less than 10 per cent of the Company's share capital, no credit will be available against an investor's United Kingdom tax liability on income distributions received from the Company for taxes suffered or paid by the Company on the Company's own income.

No United Kingdom stamp duty or stamp duty reserve tax will be payable on transfers of Shares or Convertible Stock unless any documents for such transfers are executed in the United Kingdom, in which case stamp duty reserve tax at the rate of 0.5 per cent of the consideration will be payable.

7.3. *Taxation of the proposed transaction*

The Directors of the Company have been advised of the following potential taxation effects of the proposed transaction. While every care has been taken over this analysis, the Directors cannot guarantee that the details below constitute a complete list of all tax consequences, as some consequences may only become known after completion of the transaction. Furthermore, changes in law in Guernsey, United Kingdom and other relevant jurisdictions may positively or negatively affect the taxation of the proposed transaction. This analysis is general in nature, and investors should take advice on their own particular circumstances.

The Directors would like to bring to the attention of investors in Baltimore the following potential tax impacts of the proposed transaction:

7.3.1 *Taxation of capital gains*

Under the proposed transaction, the Company would issue Shares to investors in Baltimore in return for their shares in Baltimore as an all-share acquisition of the latter. It is anticipated that this transaction will be free from United Kingdom capital gains tax and United Kingdom corporation tax on chargeable gains for United Kingdom investors. The Directors envisage applying for confirmation under section 138 of the Taxation of Chargeable Gains Act 1992 from HM Revenue & Customs that the proposed transaction is being undertaken for bona fide commercial reasons and under section 707 of the Taxes Act that no tax advantage exists under the transaction in securities rules. As the Company is listed on the London Stock Exchange, holdings in shares of the Company are treated as non-business assets for the purposes of capital gains tax taper relief. Investors in other jurisdictions are advised to take their own advice on the treatment of the proposed transaction.

7.3.2 *Share option schemes*

Special tax provisions may apply to Baltimore investors who hold share options in Baltimore and/or any of its subsidiaries, including provisions imposing a charge to income tax when such an option is exercised. Holders of such options are advised to seek independent professional advice.

7.3.3 *Stamp duty reserve tax (SDRT)*

United Kingdom SDRT at the rate of 0.5 per cent will be payable on the value of the consideration given. These costs form part of the costs borne by the Company as part of the proposed transaction.

7.3.4 *Inheritance Tax*

Shares in Baltimore are currently listed on AIM and are therefore likely to qualify for 100 per cent business property relief for United Kingdom inheritance tax purposes.

Under the transaction, Baltimore investors will receive new shares in the Company, and these will be listed on the London Stock Exchange. This will mean that they do not qualify for 100 per cent business property relief, so that the full value of the shares will form part of a United Kingdom domiciled investor's estate, unless they have control of the Company, in which case relief of 50 per cent of the value would be available.

For individuals who are not domiciled in the United Kingdom for tax purposes, Shares in the Company will not be a chargeable part of an individual's estate for United Kingdom inheritance tax purposes.

7.3.5 *Transfer of assets abroad*

The Directors would like to draw the attention of investors in Baltimore to the provisions of Chapter III Part XVII of the Taxes Act. These rules may act to render individuals liable to income tax in respect of the undistributed income (if any) of the Company as a result of a transfer of a UK asset, Baltimore shares, to a foreign company. The Directors have been advised that as the proposed transaction has a bona fide commercial purpose and is not aimed at tax avoidance, these provisions are expected not to apply.

7.3.6 *PEP and ISA status*

As an AIM listed company, Baltimore is not currently eligible for PEP or ISA investment. As the Company is listed on the London Stock Exchange, which is a 'recognised stock exchange', shares issued by the Company to Baltimore investors will be eligible for PEP and ISA investment.

This taxation summary is based on the law and practice currently in force and is subject to change therein. Prospective investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of citizenship, domicile or residence.

8. General

8.1. The Issue is being carried out on behalf of the Company by Arbuthnot which is authorised and regulated by the FSA.

8.2. The principal place of business and registered office of the Company is at Arnold House, St Julian's Avenue, St. Peter Port, Guernsey, Channel Islands GY1 3NF.

8.3. The Investment Manager was incorporated as a limited liability partnership under the Limited Liability Partnership Act 2000 in England and Wales on 21 March 2003 with registered number OC304213. The Investment Manager is authorised and regulated by the FSA.

8.4. The Custodian was incorporated as a limited liability company under the Companies (Guernsey) Laws (1908 to 1990) on 25 August 1992 with registered number 25799. The Custodian is licensed by the Guernsey Financial Services Commission.

8.5. The costs and expenses (including VAT where relevant) of, and incidental to, the Offer payable by the Company and which will be charged to the Oryx C Shareholders Fund are £1.0 million.

8.6. The Issue Price of 100 pence per Oryx C Share represents a premium of 50 pence over its nominal value of 50 pence. Save as otherwise stated herein, no expenses are to be charged to any subscriber pursuant to the Issue.

8.7. Save in relation to the Offer, the Oryx C Shares have not been marketed to, and are not available in whole or in part to, the public in conjunction with the Issue.

8.8. Arbuthnot Securities and North Atlantic Value have given and have not withdrawn their respective written consent to the issue of this document and the inclusion herein of their names and the references to them in the form and context in which they appear.

8.9. In November 2005, KPMG Channel Islands Limited resigned as auditors to the Company and were subsequently replaced by RSM Robson Rhodes.

8.10. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The New Articles will permit the holding of Shares and Oryx C Shares under the CREST system. The Oryx Shares are not currently admitted to CREST but the Directors intend to apply for both the Oryx Shares and the Oryx C Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in both the Oryx Shares and Oryx C Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon.

8.11. The Company complies with the corporate governance standards published by the Guernsey Financial Services Commission entitled "Guidance on Corporate Governance in the Finance Sector in Guernsey".

8.12. The Company's Audit Committee is comprised of all the Directors. The Audit Committee meets at least twice a year and considers, *inter alia*: (i) the Company's annual and interim accounts; (ii) the auditor reports; and (iii) the terms of appointment and remuneration of the Company's auditors. The Company's Nominations Committee is comprised of all the Directors and meets as and when required. The Nominations Committee considers the appointment of members to the Board. The Company has not established a separate Remuneration Committee as the Board is satisfied that any relevant issues can properly be considered by the Board as a whole.

8.13. Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The only third party sources used within this document include information published by Baltimore, The Trident North Atlantic Fund, North Atlantic Smaller Companies Investment Trust, Thomson Financial Datastream and Bloomberg.

8.14. The Company has not had any employees since its incorporation and does not own any premises.

8.15. There has been no significant change in the trading or financial position of the Company since 31 March 2006 being the end of the last financial period for which audited information has been published.

8.16. The Oryx Directors believe that, on the basis of publicly available information, there has been no significant change in the trading or financial position of the Baltimore Group since the date on which the most recent financial information in respect of the Baltimore Group, or members of the Baltimore Group became publicly available.

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

9. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Bircham Dyson Bell, 50 Broadway, London, SW1H 0BL during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date of Admission.

9.1. the Memorandum and Articles of Association of the Company and the New Articles;

9.2. the consent letters referred to in paragraph 8.8 of this Part VIII;

9.3. the audited consolidated accounts of Oryx for the three years ended 31 December 2004, 2005 and 2006 referred to in Part V of this document;

9.4. the Offer Document and Form of acceptance;

9.5. the Oryx Shareholder Circular; and

9.6. this document.

In addition, copies of this document and of the accounts are available for inspection only from the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Date: 5 July 2006

PART IX

DEFINITIONS

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

"Acquisition"	the proposed acquisition by Oryx of Baltimore under the terms of the Offer
"Acquisitor"	Acquisitor Holdings Limited
"Acquisitor Amalgamation"	The amalgamation of Acquisitor with Baltimore Bermuda to be effected under the Bermuda Companies Act
"Act" or the "Companies Act"	the Companies Act 1985, as amended
"Administrator" or "Secretary" or "Bank"	HSBC Securities Services (Guernsey) Limited
Admission"	the admission of the Oryx C Shares to be issued in connection with the Offer to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Admission and Disclosure Standards
"Admission and Disclosure Standards"	the requirements contained in the publication "Admission and Disclosure Standards" containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
"AIM"	the market of that name regulated by the London Stock Exchange
"Arbuthnot Securities"	Arbuthnot Securities Limited whose office is at Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR
"Articles of Association" or "Articles"	the articles of association of the Company and, subject to and with effect from the passing of the relevant resolution, the new articles of association proposed to be adopted at the Oryx EGM
"Baltimore"	Baltimore plc
"Baltimore Group"	Baltimore and its subsidiary undertakings
"Baltimore's Rule 2.10 Issued Share Capital"	Baltimore's issued share capital for the purposes of rule 2.10 of the Code based on the announcement made by Baltimore on 28 June 2006, which stated that "for the purposes of rule 2.10 of the City Code on Takeovers and Mergers there are 143,585,188 ordinary shares in issue"
"Baltimore Shareholders"	holders of Baltimore Shares
"Baltimore Share Schemes"	the Baltimore plc 2002 Share Award Plan, the Baltimore plc 2005 Share Option Scheme and the Baltimore share options granted by way of a stand alone agreement on 17 January 2006
"Baltimore Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of 1.25 pence each in the capital of Baltimore and any further ordinary shares which are unconditionally

	allotted or issued fully paid or credited as fully paid on or prior to the date on which the Offer closes (or such earlier date as Oryx may, subject to the Code or with the consent of the Panel, decide)
"Board"	the board of directors of the Company
"Business Day"	a day on which the London Stock Exchange is open for transaction of business
"C Shareholders Fund" or "Oryx C Shareholders Fund"	the separate fund to be established and maintained by the Company to hold the assets attributable to the Oryx C Shares, namely: (a) the net assets after deduction of liabilities of the Baltimore Group, excluding any proportion thereof which is attributable to shareholders other than the Company; and/or (b) (to the extent that such net assets have been transferred to the Company) the net assets less liabilities held by the Company representing assets derived from the net assets of the Baltimore Group referred to in (a) above, against which will be charged, as a deduction, the amount of all professional, advisory, legal and other fees and advertising and other costs and expenses whatsoever incurred by Oryx in connection with the Offer including all such fees, costs and expenses relating to or in connection with the determination of the Formula Asset Value (including any charges made by any independent expert appointed in connection with determining the Formula Asset Value) and all stamp duty and stamp duty reserve tax paid by Oryx in respect of the transfer of the Baltimore Shares pursuant to the Offer, such amount to include irrecoverable value added tax (where applicable) but to exclude any tax relief
"Calculation Time"	means the earliest of the: (a) close of business on the date to be determined by the Directors occurring not more than 10 Business Days after the day on which the Investment Manager shall have given notice to the Directors that at least 80 per cent. of the C Shareholders Fund (or such higher level as the Directors and Investment Manager shall agree) shall have been realised (where required) and invested in assets selected by the Investment Manager; or (b) close of business on 31 December 2007 or if such a date is not a Business Day the next following Business Day; or (c) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent
"Capita Registrars"	a trading division of Capita IRG Plc
"certificated" or "certificated form"	a share or security which is not in uncertificated form (that is, not in CREST)
"City Code" or "Code"	the City Code on Takeovers and Mergers
"Closing Price"	the middle-market quotation of a share at the close of business on a particular trading day

"Companies Laws"	the Companies (Guernsey) Laws 1994 to 1996, as amended and the Companies (Purchase of own Shares) Ordinance 1998
"Conversion"	means conversion of the Oryx C Shares into Oryx Shares and Deferred Shares in accordance with paragraph 8 in Part III of this document
"Conversion Date"	such Business Day as may be selected by the Oryx Directors falling not more than 10 Business Days after the Calculation Time
"CREST"	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by CRESTCo in accordance with the CREST Regulations
"CRESTCo"	CRESTCo Limited, the operator of CREST
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended from time to time
"Custodian"	HSBC Custody Services (Guernsey) Limited
"Deferred Shares"	deferred shares of 10 pence each in the capital of the Company arising on Conversion
"EEA State"	a state which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992 as amended from time to time
"Enlarged Oryx Group" or "Enlarged Group"	Oryx as enlarged by the Acquisition
"Existing Oryx Shareholders"	holders of Existing Oryx Shares
"Existing Oryx Shares"	Oryx Shares currently in issue
"FAV per Baltimore Share" or "Formula Asset Value"	the formula asset value, attributable to each Baltimore Share in issue at the close of business on the Unconditional Date on a fully diluted basis calculated in accordance with the formula set out in Part IV of this document
"Form of Acceptance"	the form of acceptance and authority relating to the Offer which accompanies the Offer Document
"FRS26 Package"	The package of United Kingdom Financial Reporting Standards which are to be adopted at the same time, and which are mandatory for UK Listed entities not otherwise adopting International Financial Reporting Standards, being: ● FRS 23 (IAS 21) 'The Effects of Changes in Foreign Exchange Rates' ● FRS 24 (IAS 29) 'Financial Reporting in Hyperinflationary Economies' ● The disclosure requirements of FRS 25 (IAS 32) 'Financial Instruments: Disclosure and Presentation' ● FRS 26 (IAS 39) 'Financial Instruments: Measurement'
"FSA"	the UK Financial Services Authority
"FSMA"	the Financial Services and Market Act 2000, as amended

"Fully Diluted NAV per Oryx Share"	the NAV per Oryx Share adjusted (where appropriate) to take account of the dilution (if any), which would have arisen from the exercise of all the Oryx Convertible Loan Stock and Oryx Warrants outstanding at the relevant time but excluding the Management Options
"Initial Listing"	the initial listing of the Oryx Shares on the Official List on 1 March 1995
"Investment Manager"	North Atlantic Value
"Issue"	the issue of the Oryx C Shares pursuant to the Offer;
"Listing Rules"	the rules and regulations made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time)
"London Stock Exchange"	London Stock Exchange plc
"Management Options"	options to subscribe for Ordinary Shares granted to JO Hambro & Partners in connection with the Initial Listing
"NAV" or "Net Asset Value"	the aggregate value of the net assets of a company (that is, the value of its assets less the value of its liabilities) calculated in accordance with the company's accounting policies or, where the context requires, the part of that amount attributable to a particular class of shares
"NAV per Baltimore Share" or "Net Asset Value per Baltimore Share"	the aggregate value of the Net Asset Value of Baltimore divided by the relevant number of Baltimore Shares in issue
"NAV per Oryx Share" or "Net Asset Value per Oryx Share"	the aggregate value of the Net Asset Value of Oryx divided by the relevant number of Oryx Shares in issue
"New Articles"	the new articles of association of the Company to be adopted at the Oryx EGM
"New UK GAAP"	United Kingdom Generally Accepted Accounting Practice after adoption of the FRS26 Package
"North Atlantic Value"	North Atlantic Value LLP
"NYH"	New York Holdings Limited
"NYH Amalgamation"	the amalgamation of NYH with Baltimore Guernsey to be effected under the Ordinance
"Offer"	the Offer being made by Arbuthnot Securities on behalf of Oryx to acquire all of the issued and to be issued Baltimore Shares on the terms and subject to the conditions set out in Offer Document and including, where the context so permits, any subsequent revision, variation, extension or renewal of such offer
"Offer Document"	the offer document dated the same date as this document and issued to Baltimore Shareholders detailing the terms and conditions of the Offer

"Offer Illustration"	for illustrative purposes only, had the Unconditional Date been 3 July 2006 (being the latest practicable date prior to publication of this document) Oryx estimates: ● that the FAV per Baltimore Share would have been 19.9 pence (such Formula Asset Value having been calculated by reference to the latest publicly announced unaudited Net Asset Value per Baltimore Share as at 27 February 2006, which was delivered to a Regulatory Information Service by Baltimore on 24 March 2006); ● an accepting Baltimore Shareholder would have been entitled to 1,000 Oryx C Shares for every 5,025 Baltimore Shares held; and ● the Offer would have valued each Baltimore Share at between 17.9 and 19.6 pence, representing a premium of between approximately 19.3 and 30.7 per cent. to the Closing Price of 15.0 pence per Baltimore Share on 26 June 2006 (being the latest practicable date prior to the announcement of the Offer) and all of the Baltimore Shares (assuming full exercise of options granted under the Baltimore Share Schemes, and that new Baltimore Shares are issued on the exercise of those options in all cases, except for the options granted under the Baltimore plc 2002 Share Award Plan and the Baltimore plc 2005 Share Option Scheme where the options have been granted by the trustees of the Baltimore Employee Benefit Trust) but excluding those Baltimore Shares in which any member of the Baltimore Group is interested at between approximately £26.1 and £28.6 million
"Offer Period"	the period commencing on (and including) 27 June 2006 until whichever of the following shall be the latest: (i) 1.00 p.m. on 26 July 2006; (ii) the Unconditional Date; and (iii) the date on which the Offer lapses
"Official List"	the list maintained by the UK Listing Authority pursuant to Part VI of FSMA
"Old UK GAAP"	United Kingdom Generally Accepted Accounting Practice prior to the adoption of the FRS26 Package
"Oryx" or "Company"	Oryx International Growth Fund Limited
"Oryx's Audit Committee"	the audit committee of the Board of Oryx
"Oryx Board" or "Board"	the board of directors from time to time of Oryx (or the directors present at a duly convened meeting of such board) or a duly authorised committee of the board
"Oryx C Shareholders" or "C Shareholders"	means a holder of Oryx C Shares
"Oryx C Shares" or "C Shares"	the conversion shares of 50 pence each in the capital of the Company carrying the rights set out in paragraph 2 to 8 inclusive of Part III of this document, to be issued pursuant to the Offer

“Oryx Convertible Loan Stock” or “Convertible Loan Stock”	the zero coupon convertible unsecured loan stock 2005 created by the Company in February 1995 in connection with the Initial Listing in units of £1 principal amount convertible at a rate of 60 pence nominal amount of ordinary share capital for every £1 in principal amount of such loan stock
“Oryx Directors” or “Directors”	the directors of Oryx at the date of this document, whose names are set out on page 14 of this document
“Oryx Extraordinary Meeting” or “Oryx EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of Oryx convened for 10.00 a.m. on 24 July 2006 (or any adjournment of it) to approve the Resolutions
“Oryx Shareholders” or “Shareholders”	holders of Oryx Shares
“Oryx Shareholder Circular”	the circular to Existing Oryx Shareholders dated the same date as this document to approve, among other matters, the Acquisition and containing notice convening the Oryx EGM
“Oryx Shares” or “Ordinary Shares”	the ordinary shares of 50 pence each in the capital of the Company
“Oryx Warrants” or “Warrants”	warrants carrying the right to subscribe for one Ordinary Share
“Overseas Shareholders”	Baltimore Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the UK
“Placing”	a placing of Oryx Shares in connection with the Company’s initial listing of Oryx Shares in February 1995
“Prospectus Rules”	the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004
“Registrars”	Capita IRG (CI) Limited
“Regulatory Information Service”	any of the services set out in Appendix 3 of the Listing Rules
“Resolutions”	the resolutions to be proposed at the Oryx EGM, brief details of which are given in paragraph 7(b) of Part I of this document as detailed in the Oryx Shareholder Circular
“Restricted Jurisdictions”	Australia, Canada, Japan and the Republic of South Africa and any other jurisdictions where offering to acquire Baltimore Shares from a Baltimore Shareholder resident in such jurisdiction and/or allot and issue the Oryx C Shares by way of consideration for such acquisition would breach any applicable law
“Seymour Pierce”	Seymour Pierce Limited, authorised and regulated by the FSA
“Shareholders”	holders of Shares
“Shares”	Oryx Shares and/or Oryx C Shares (as the case may require)
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purpose of Part VI of FSMA
“UK GAAP”	UK Generally Accepted Accounting Practice

"uncertificated" or "uncertificated form"	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
"Unconditional Date"	the date on which the Offer becomes or is declared unconditional as to acceptances
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions and any state of the United States of America and the District of Colombia
US Person	an individual who's registered address is in the US or who is a US national
"US$"	US dollars

PART X

INFORMATION INCORPORATED BY REFERENCE

Information describing the Company's operating and financial performance, portfolio of investments, independent auditors report, results of operations and historical financial information on the matters referred to below, is included in the published annual report and audited accounts of the Company for the years stated and is incorporated by reference into this document as set out in the table below:

Nature of information	*Audited report and accounts for the year ended 31 March 2004 Page No.*	*Audited report and accounts for the year ended 31 March 2005 Page No.*	*Audited report and accounts for the year ended 31 March 2006 Page No.*
Chairman's Statement	4	4	4
Investment Adviser's Report	5	5	5
Investment Schedule	8-9	8-9	8-9
Report of the Independent Auditors	13	13	16
Balance Sheet	14	14	17
Income Statement	15	15	18
Statement of Cash Flows	16	16	19
Notes to the Accounts	17-25	17-25	20-30

Only information in the parts of the documents identified in the table above is incorporated into and form part of this document. Information in other parts of the above documents is either covered elsewhere in this document or in not relevant to an investor's assessment of the Company and the rights attaching to the Oryx C Shares. Investors should, therefore, ignore cross-references in the parts of the documents listed above to parts of documents not listed above.

The information detailed above, has been made public and is available for inspection in accordance with paragraph 9 of Part VIII of this document and is also available online at www.navalue.co.uk (although none of the other information on such website is incorporated by reference in this document or is being made available other than to Existing Oryx Shareholder or should be relied upon in making any investment decision).

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