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THE BERKELEY GROUP HOLDINGS PLC
REPOSITIONING OF STRATEGY, PLACING OF APPROXIMATELY 6 MILLION UNITS AND
INTERIM MANAGEMENT STATEMENT FOR THE PERIOD FROM 1ST NOVEMBER 2008

26 FEBRUARY 2009

The Berkeley Group Holdings plc (“Berkeley” or “the Company”) today announces the repositioning of its strategy and a capital structure which enables the group to take advantage of current market conditions by investing in land and returning to a more traditional dividend policy, rather than committing to return £3 per share by 2014.

Highlights

- Berkeley’s balance sheet and financial position remain very strong
- Net cash of £236.1 million at 31st January 2009 (31st October 2008: £138.2 million)
- No land write-downs at 31st October 2008 or forecast at 30th April 2009 year-end
- Trading continues to reflect macro-economic environment with sales reservations 55% below the historic average
- Underwritten placing of approximately 6 million Units expected to raise around £50 million
- After the placing, and allowing for future operating cash flow, Berkeley expects to have in excess of £300 million available to invest in new land, while remaining ungeared
- As a result, Berkeley intends to return to a more traditional dividend policy, rather than committing to return £3 per share by 2014
- Remuneration policy to be aligned with re-positioned strategy

Introduction

The Board of Berkeley announces today that it has decided to raise additional equity capital through an institutional placing (the "Placing") of 6,041,030 Units. The Placing is being conducted through an accelerated bookbuild which will be launched immediately following this announcement. UBS Limited (“UBS” or “UBS Investment Bank”) has been appointed sole bookrunner and underwriter in respect of the Placing.

The proceeds from the Placing, which are expected to be around £50 million, will be used to reinforce Berkeley’s balance sheet strength in line with current market conditions so that it can take advantage of more opportunities to invest in new land.

Current trading and financial position

Berkeley is in a uniquely strong position and reported in excess of 30,000 plots in its land bank at 31st October 2008, together with net assets of approximately £6 per share and £138.2 million of cash. As at 31st January 2009, net cash has increased by £97.9 million in the period to £236.1 million. The cash generation is a result of Berkeley’s working capital management and the continued benefit of its strong opening forward sales position. In addition, Berkeley has been very selective on new land acquisitions and in the period since 1st May 2008 has committed only £20.9 million to new land purchases.

At the time of the Interim Results announcement on 5th December 2008, Berkeley reported that sales reservations were 55% below the historic average and this remains the position, with the lack of mortgage availability and the spectre of unemployment continuing to place pressure on transaction volumes and pricing. Berkeley has been able to maintain its gross margin through re-planning and adding value to its land holdings, and overheads have been

reduced to maintain operating margins at their historical level of between 17.0% and 19.5% at this activity level.

These are the market conditions that Berkeley's strategy, which recognises the cyclical nature of property development, planned for and this is reflected in the Group's performance and financial position. As a result, Berkeley is not anticipating any land write-downs.

Re-positioning of strategy and rationale for Placing

The current market weakness presents exceptional value creation opportunities for strong businesses with a clear strategy and experienced management teams with a track record of delivery. For Berkeley, this means acquiring land opportunities at the right prices and using its added value developer expertise to optimise these sites and so enhance value for shareholders.

In June of last year, Berkeley agreed with shareholders to defer the final £3 per Unit payable under the Scheme of Arrangement until 2014 so that it could invest in land. Since then, the significant worsening of the global banking crisis in September 2008 has had an inevitable direct impact on the feel-good factor and mortgage availability. The consequence of this for Berkeley is reduced visibility of future cash flow and profit. For businesses more generally, it has resulted in a fundamental reassessment of gearing and capital structures.

In light of these factors, it is no longer appropriate for Berkeley to both acquire new land and commit to return £3 per Unit to shareholders by January 2014. Berkeley therefore intends to acquire new land and return to a more traditional dividend policy, with the commitment to return £3 per Unit by January 2014 no longer forming part of its strategy. The Board believes that this re-positioning of Berkeley's strategy will enhance value for shareholders and the Placing will ensure that Berkeley has the right capital structure in place.

Berkeley accordingly announces that it intends to raise approximately £50 million through a placing of 6,041,030 Units (5% of its existing issued ordinary share capital). In addition, Berkeley will satisfy the 12 million Units that vest unconditionally to management over the next 12 months from the Scheme of Arrangement, in new Units rather than from market purchases. After the placing, and allowing for future operating cash flow, Berkeley expects to have in excess of £300 million available to invest in new land, without utilising bank facilities for this purpose.

This re-positioning of Berkeley's strategy away from returning cash to shareholders to investing cash in the business and the re-introduction of a more traditional dividend policy, necessitates a review of the Company's remuneration policy which is currently aligned to returning £3 per Unit to shareholders by 2014.

In summary, it is proposed to change the structure of the final part of the 2004(b) LTIP scheme. 5.3 million shares were due to be issued to management (at no cost to management) once the £3 per Unit was returned to shareholders. These are now proposed to be issued as options with an exercise price of £3 per Unit. It is proposed that these options vest in 2014, which is the year by which Berkeley would otherwise have returned £3 per Unit to shareholders.

It is further proposed that the 2007 LTIP scheme, which is currently scheduled to come into force once the 2004(b) LTIP has been completed, is converted into an option scheme with the option price set at the higher of the price of the Placing and the share price at the date of grant. It is proposed that these options, which would be over 7.1 million shares, would vest in equal instalments in 2015 and 2016.

These amendments to the Company's remuneration policy will be put to a general meeting of the Company proposed to be held, following consultation with major shareholders, in April.

Details of the Placing

Since the existing issued ordinary shares of Berkeley are each stapled to a 2010 B Share (together being a "Unit"), each new ordinary share will be issued with a corresponding 2010 B Share (together being the "Placing Units").

The price at which the Placing Units are to be placed will be determined at the close of the bookbuild and announced shortly thereafter.

Under the terms of the Placing, Berkeley intends to issue 6,041,030 Placing Units, representing approximately 5% of the current issued ordinary share capital of the Company. The Company's largest shareholder, Saad Investments Company Limited (together with certain affiliates), has committed to acquire approximately 1.8 million Placing Units at the Placing price; this being its proportionate allocation of the total number of Placing Units being issued under the Placing.

The Placing Units will, when issued, be fully paid and will rank pari passu in all respects with the existing Units of the Company, including the right to receive all dividends and other distributions declared, made or paid after the date of the issue. Application will be made for the Placing Units to be admitted to the Official List of the Financial Services Authority ("FSA"), and to be admitted to trading by the London Stock Exchange on its main market for listed securities (together "Admission"). The Placing is conditional on Admission becoming effective.

By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Units investors will be deemed to have read and understood this announcement in its entirety (including the Appendix) and to be making such offer on the terms and conditions contained herein and to be providing the representations, warranties and acknowledgements contained in the Appendix to this announcement.

The Appendix to this announcement (which forms part of the announcement) sets out the terms and conditions of the Placing.

END

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This announcement, including the Appendix (together the "Announcement"), is not for release, publication or distribution, directly or indirectly, in or into the United States, Canada, Australia or Japan or any jurisdiction into which the same would be unlawful. This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in the United States, Canada, Australia or Japan or any jurisdiction in which such an offer or solicitation is unlawful. The Placing Units have not been and will not be registered under the US Securities Act of 1933, as amended ("Securities Act") and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Placing Units are being offered and sold outside the United States in accordance with

Regulation S under the Securities Act. No money, securities or other consideration is being solicited and, if sent in response to the information herein, will not be accepted.

This Announcement is for information only and shall not constitute an offer to buy, sell, issue or acquire or the solicitation of an offer to buy, sell or issue, or acquire any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by UBS or by any of its affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

UBS is acting for the Company in connection with the Placing and no-one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of UBS nor to providing advice in relation to the Placing or any other matter referred to in this Announcement.

Certain statements in this Announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this announcement is subject to change without notice and neither the Company nor UBS assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

Any indication in this Announcement of the price at which Units have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company. Persons needing advice should consult an independent financial advisor.

APPENDIX

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING

FOR INVITED PLACEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSE OF THEIR BUSINESS AND WHO ARE: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS DIRECTIVE") ("QUALIFIED INVESTORS"); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) AND ARE INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE 'ORDER'); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ('HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC') OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND (C) IN SWITZERLAND, INSTITUTIONAL INVESTORS WHO ARE NOT SUBSCRIBING FOR THE PLACING UNITS WITH A VIEW TO DISTRIBUTION (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS 'RELEVANT PERSONS'). THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF PLACING UNITS.

THE PLACING UNITS REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND ARE BEING OFFERED OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT.

Persons who are invited to and who choose to participate in the Placing, by making an oral or written offer to subscribe for Placing Units (including Relevant Persons on whose behalf a commitment to subscribe for Placing Units has been given) (the 'Placees'), will be deemed to have read and understood this Announcement, including this Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular each such Placee represents, warrants and acknowledges that it is:

- (a) a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Units that are allocated to it for the purposes of its business;
- (b) in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State") who acquires any Placing Units pursuant to the Placing:
 - (i) a Qualified Investor; and
 - (ii) in the case of any Placing Units acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Placing Units acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of UBS has been given to the offer or resale; or (b) where Placing Units have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Units to it is not treated under the Prospectus Directive as having been made to such persons; and
- (c) acquiring the Placing Units for its own account or is acquiring the Placing Units for an account with respect to which it exercises sole investment discretion, and that it (and any such account) is outside the United States, or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis solely for non-US beneficial owners (other than an estate or trust) and is acquiring the Placing Units in an 'offshore transaction' in accordance with Regulation S under the Securities Act.

Save as expressly set out, this Announcement does not constitute an offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities or investment advice in any jurisdiction, including without limitation, the United Kingdom, the United States, Australia, Canada or Japan. Past performance is no guide to future performance. Persons needing advice should consult an independent financial advisor. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia or Japan or in any jurisdiction in which such publication or distribution is unlawful. No public offer of securities of the Company is being made in the United Kingdom, United States or elsewhere.

In particular, the Placing Units referred to in this Announcement have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. The Placing Units have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

The Placing Units may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Placing Units are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The relevant clearances have not been, and nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Units have not been, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia or Japan. Accordingly, the Placing Units may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the announcement of which it forms part should seek appropriate advice before taking any action.

The Placing Units to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

Details of the Placing Agreement and the Placing Units

UBS has entered into a placing agreement (the 'Placing Agreement') with the Company under which UBS has, on the terms and subject to the conditions set out therein, agreed to use its reasonable endeavours to place the Placing Units (or failing which subscribe itself for such amount of unplaced Placing Units) at the Placing Price (as defined below).

The Placing Units will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Units, comprising an issued ordinary share of 5 pence per share and an issued 2010 B Share of 5 pence each ("Units"), including the right to receive all dividends and other distributions declared, made or paid on or in respect of such Units after the date of issue of the Placing Units.

In this Announcement (including the Appendix), unless the context otherwise requires, Placee means a Relevant Person (including individuals, funds or others) on whose behalf a commitment to subscribe for Placing Units has been given.

Application for listing and admission to trading

Application will be made to the Financial Services Authority (the 'FSA') for admission of the Placing Units, and the shares comprised in the Placing Units, to the Official List of the UK Listing Authority (the 'Official List') and to London Stock Exchange plc for admission to trading of such shares on its main market for listed securities (together, 'Admission'). It is expected that Admission will become effective on or around 3 March 2009 and that dealings in the Placing Units will commence at that time.

Bookbuild

UBS will today commence an accelerated bookbuilding process in respect to the Placing (the 'Bookbuild') to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Bookbuild. No commissions will be paid to Placees or by Placees in respect of any Placing Units.

UBS and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. UBS is arranging the Placing as sole bookrunner and agent of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by UBS. UBS and its affiliates are entitled to enter bids in the Bookbuild as principal.
3. The Bookbuild will establish a single price payable to UBS by all Placees whose bids are successful (the 'Placing Price'). The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between UBS and the Company following completion of the Bookbuild and any discount to the market price of the ordinary shares will be determined in accordance with the Listing Rules. The Placing Price will be announced on a Regulatory Information Service following the completion of the Bookbuild (the 'Pricing Announcement').
4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at UBS. Each bid should state the number of Placing Units which the prospective Placee wishes to subscribe for at either the Placing Price which is ultimately established by the Company and UBS or at prices up to a price limit specified in its bid. Bids may be scaled down by UBS on the basis referred to paragraph 8 below.
5. The Bookbuild is expected to close no later than 5.00 p.m. (GMT) on 26 February 2009 but may be closed earlier or later at the discretion of UBS. UBS and the Company may, at their sole discretion, accept bids that are received after the Bookbuild has closed.
6. Each Placee's allocation will be confirmed to Placees orally by UBS following the close of the Placing, and a conditional contract will be dispatched as soon as possible thereafter. UBS's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of UBS and the Company, under which it agrees to subscribe for the number of Placing Units allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Memorandum and Articles of Association. Each Placee will be deemed to have read and understood this Announcement in its entirety (including this Appendix).
7. The Company will make a further announcement following the close of the Bookbuild detailing the price at which the Placing Units have been placed and the gross proceeds raised by the Company in the Placing.
8. UBS may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as it may determine. UBS and the Company may also (i) allocate Placing Units after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Units after the Bookbuild has closed to any person submitting a bid after that time.
9. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Announcement and will be legally binding on the Placee on behalf of which it is made and except with UBS's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to UBS, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Units such Placee has agreed to subscribe. Each Placee's obligations will be owed to the Company and to UBS.
10. Except as required by law or regulation, no press release or other announcement will be made by UBS or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

11. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Units to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under 'Registration and Settlement'.
12. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under 'Conditions of the Placing' and to the Placing not being terminated on the basis referred to below under 'Right to terminate under the Placing Agreement'.
13. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
14. To the fullest extent permissible by law, neither UBS nor any of its affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither UBS nor any of its affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of UBS's conduct of the Bookbuild or of such alternative method of effecting the Placing as UBS and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. UBS's obligations under the Placing Agreement are conditional on, inter alia:

- (a) Admission taking place not later than 8.00 a.m. on 3 March 2009 or such later date as the Company and UBS may otherwise agree;
- (b) there being no breach of the warranties contained in the Placing Agreement;
- (c) the Company complying with its obligations under the Placing Agreement, the Pricing Announcement and this Announcement;
- (d) the Company allotting, subject only to Admission, the shares comprised in the Placing Units in accordance with the Placing Agreement; and
- (e) no force majeure event, material adverse change or development (in each case as specified in the Placing Agreement) having occurred which is material in the context of the Placing or would make it impracticable or inadvisable to proceed with the Placing or would be likely to materially prejudice dealings in Units of the Company (including the Placing Units) in the secondary market.

If (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by UBS by the respective time or date where specified (or such later time or date as the Company and UBS may agree) or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placee's rights and obligations hereunder in relation to the Placing Units shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

UBS may, at its discretion and upon such terms as it thinks fit, waive or extend the time and/or date for compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither UBS nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision which may be made as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision which may be made as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of UBS.

Right to terminate under the Placing Agreement

UBS is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with the terms of the Placing Agreement in certain circumstances, including a statement in this Announcement or any other Public Document (as defined in the Placing Agreement) being or becoming untrue, inaccurate or misleading in any respect which is material in the context of the Placing, (b) a breach or likely breach of any of the warranties given to UBS in the Placing Agreement, (c) the failure of the Company to comply with its obligations under the Placing Agreement, the Pricing Announcement and this Announcement which, in any case, is material in the context of the Placing, (d) any of the conditions set out in the Placing Agreement (as detailed above) not being satisfied on or before the relevant time or date or, (e) the occurrence of a force majeure event, material adverse change or development (in each case as specified in the Placing Agreement) which is material in the context of the Placing or would make it impractical or inadvisable to proceed with the Placing or would be likely to materially prejudice dealings in Units of the Company (including the Placing Units) in the secondary market.

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

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or UBS or any other person and neither UBS nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Units (ISIN: GB00B02L3W35) following Admission will take place within the CREST system, save that UBS and the Company reserve the right to require settlement for and delivery of the Placing Units to Placees by such other means that they deem necessary if delivery or settlement is not practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Units in the Placing will be sent a conditional contract in accordance with the standing arrangements in place with UBS stating the number of Placing Units allocated to it at the Placing Price, the aggregate amount owed by such Placee to UBS

and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with UBS.

It is expected that settlement will be on 3 March 2009 on a T+3 basis in accordance with the instructions set out in the conditional contract (unless otherwise notified by UBS).

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by UBS.

Each Placee is deemed to agree that, if it does not comply with these obligations, UBS may sell any or all of the Placing Units allocated to that Placee on such Placee's behalf and retain from the proceeds, for UBS's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Units on such Placee's behalf.

If Placing Units are to be delivered to a custodian or settlement agent, Placees should ensure that the conditional contract is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Units are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Units should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. The Placee will not be entitled to receive any fee or commission in connection with the Placing.

Representations, Warranties and Further Terms

Subject to such additional or different representations and agreements as may be made or deemed to be made by particular Placees, by participating in the Placing each Placee (and any person acting on such Placee's behalf):

- 1 represents and warrants that it has read this Announcement, including the Appendix, in its entirety and that its acquisition of Placing Units is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained therein;
- 2 acknowledges that no offering document or prospectus has been prepared in connection with the placing of the Placing Units and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
- 3 acknowledges that neither UBS nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide it, with any material regarding the Placing Units or the Company other than this Announcement; nor has it requested any of UBS, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
- 4 acknowledges that the Company's existing Units are listed on the Official List of the FSA, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty.

- 5 acknowledges that the content of this Announcement and the Pricing Announcement is exclusively the responsibility of the Company and that none of UBS, its affiliates or any person acting on UBS's behalf has or shall have any liability for any information, representation or statement contained in this Announcement and the Pricing Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Units is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Units and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of UBS or the Company and neither UBS nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;
- 6 acknowledges that neither UBS nor any person acting on behalf of it nor any of its affiliates has or shall have any liability for any publicly available or filed information or any information, representation, warranty or statement relating to the Company contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 7 represents and warrants that it is not, and at the time the Placing Units are acquired will not be a resident of Australia, Canada or Japan, and each of it and the beneficial owner of the Placing Units is, and at the time the Placing Units are acquired will be, (i) not in the United States or (ii) acquiring the Placing Units in an 'offshore transaction' in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, and has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Placing Units, will not look to UBS for all or part of any such loss it may suffer, is able to bear the economic risk of an investment in the Placing Units, is able to sustain a complete loss of the investment in the Placing Units and has no need for liquidity with respect to its investment in the Placing Units and represents and warrants that it is acquiring the Placing Units for its own account and not with a view to any distribution or for resale in connection with, the distribution thereof in whole or in part, in the United States; and that it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
- 8 represents and warrants that the Placing Units have not been and will not be registered or qualified for offer and sale nor will a prospectus be cleared in respect of any of the Placing Units under the securities laws or legislation of the United States, Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, within those jurisdictions;
- 9 acknowledges that the Placing Units have not been and will not be registered under the Securities Act or with any State or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority and are being offered and sold on behalf of the Company in offshore transactions (as defined in Regulation S under the Securities Act) or another exemption from, or transaction not subject to, the registration requirements under the Securities Act;
- 10 represents and warrants that it will not engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) with respect to the Placing Units;
- 11 represents and warrants that it will not reoffer, sell, pledge or otherwise transfer the

Placing Units except (i) in an offshore transaction in accordance with Regulation S under the Securities Act; or (ii) pursuant to an effective registration statement under the Securities Act and that, in each such case, such offer, sale, pledge, or transfer will be made in accordance with any applicable securities laws of any state of the United States;

- 12 represents and warrants that in acquiring the Placing Units it is not using 'plan assets' (within the meaning of the US Employee Retirement Income Security Act of 1974, as amended ('ERISA')) or assets of any other employee benefit plan subject to any US federal, state, local or other law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the US Internal Revenue Code of 1986, as amended and that it will not sell or otherwise transfer any Placing Units or any interest therein unless the transferee makes or is deemed to make the representations and warranties set forth in this paragraph, and the purchaser acknowledges and agrees that any purported transfer of Placing Units or any interest therein that does not comply with this paragraph will not be effective and will not be recognised by the Company;
- 13 unless otherwise specifically agreed with UBS, represents and warrants that it is, or at the time the Placing Units are acquired that it will be, the beneficial owner of such Placing Units, or that the beneficial owner of such Placing Units is not a resident of Australia, Canada or Japan;
- 14 represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Units will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Units are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Units into a clearance system;
- 15 If it is in the United Kingdom, represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2007 (the 'Regulations') and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- 16 if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, represents and warrants that the Placing Units purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of UBS has been given to the offer or resale;
- 17 represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Units to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
- 18 represents and warrants that it has not offered or sold and will not offer or sell any Placing Units to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
- 19 represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to

the Placing Units in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

- 20 represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Units in, from or otherwise involving, the United Kingdom;
- 21 represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Units under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
- 22 undertakes that it (and any person acting on its behalf) will make payment for the Placing Units allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Units may be placed with other subscribers or sold as UBS may in its sole discretion determine and without liability to such Placee and it will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Placing Price and the number of Placing Units allocated to it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Units on its behalf;
- 23 acknowledges that neither UBS, nor any of its affiliates, nor any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placees and that participation in the Placing is on the basis that it is not and will not be a client of UBS and that UBS has no duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- 24 undertakes that the person whom it specifies for registration as holder of the Placing Units will be (i) itself or (ii) its nominee, as the case may be. Neither UBS nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and UBS in respect of the same on the basis that the Placing Units will be allotted to the CREST stock account of UBS who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
- 25 acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Units (together with any interest chargeable thereon) may be taken by the Company or UBS in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- 26 agrees that the Company, UBS and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to UBS on its own behalf and on behalf of the Company and are irrevocable; and
- 27 agrees to indemnify and hold the Company, UBS and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses)

arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Units in question. Such agreement assumes that the Placing Units are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Units into a clearance service. If there are any such arrangements, or the settlement related to any other dealing in the Placing Units, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor UBS will be responsible. If this is the case, each Placee should seek its own advice and notify UBS accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Units or the agreement by them to subscribe for any Placing Units.

Each Placee, and any person acting on behalf of the Placee, acknowledges that UBS does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that UBS or any of its affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Units.

When a Placee or person acting on behalf of the Placee is dealing with UBS, any money held in an account with UBS on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from UBS's money in accordance with the client money rules and will be used by UBS in the course of its own business and the Placee will rank only as a general creditor of UBS.

Past performance is no guide to future performance and persons needing advice should consult an independent financial advisor. Each Placee and each person acting on behalf of the Placee acknowledges that neither UBS nor any of its affiliates is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any warranties, representations, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of UBS's rights and obligations there under including any rights to waive or vary any conditions or exercise any termination rights,

All times and dates in this Announcement may be subject to amendment. UBS shall notify the Placees and any person acting on behalf of the Placees of any changes.