

**APPENDIX TO SCHEDULE ONE – PRE-ADMISSION ANNOUNCEMENT
FURTHER INFORMATION ON GB GROUP PLC (THE "COMPANY")
IN CONNECTION WITH ITS AIM ADMISSION**

Nominated Advisor and Broker

KBC Peel Hunt Ltd

AIM, a market operated by the London Stock Exchange plc ("**AIM**") is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

London Stock Exchange plc has not itself examined or approved the contents of this Announcement.

It is expected that admission of the Company's ordinary shares of 2.5p each (the "**Shares**") to trading on AIM ("**Admission**") will become effective and dealings in the Shares will commence on AIM on 27 August 2010.

This Appendix has been prepared in accordance with Schedule One and its supplement for quoted applicants of the AIM Rules published by London Stock Exchange plc (the "**AIM Rules**"). It includes, inter alia, all information that is equivalent to that required for an admission document and which is not currently public. Information which is public includes, without limitation, all information published through a Regulatory Information Service, filed with the document viewing facility of the UKLA and at Companies House and all information available on the Company's website at www.gb.co.uk. This Appendix, dated 5 July 2010, should be read in conjunction with the pre-admission announcement, dated 5 July 2010 (the "**Announcement Form**"), and made by the Company as required by the AIM Rules at least 20 business days prior to Admission. This Appendix and the Announcement Form together constitute the "**Announcement**".

Responsibility Declaration

The Directors of GB Group plc, whose names appear in paragraph 7 of this Appendix, and GB Group plc accept responsibility for the information contained in the Announcement. To the best of the knowledge of the Directors and GB Group plc the information contained in the Announcement is in accordance with the facts and makes no omission likely to affect the import of such information.

Notice from Nominated Adviser and Broker

KBC Peel Hunt Ltd of 111 Old Broad Street, London EC2N 1PH, which is regulated by the Financial Services Authority, is acting as nominated adviser and broker to GB Group plc. KBC Peel Hunt Ltd is not acting for any other person and will not be responsible to anyone other than GB Group plc for providing the protections afforded to its clients or for providing advice in relation to the contents of this Announcement. No liability is accepted by KBC Peel Hunt Ltd for the accuracy of any information or opinions contained in, or for the omission of any material information from, the Announcement.

1 BUSINESS OVERVIEW

The Company and its subsidiaries (together the "**Group**") is an identity management business which helps organisations recognise and verify all elements of an individual's identity via the application of its proprietary technology. The Group's two operating segments are DataAuthentication, which provides electronic identity verification services for combating ID fraud, money laundering and under-age gambling, and DataSolutions, which provides identity capture, maintenance and analysis services to provide accurate and up-to-date customer information for a contact strategy and to facilitate better understanding, targeting and retention of profitable customers.

Further information regarding the Group's business is set out in the Company's report and accounts for the year ended 31 March 2010 (the "**Report and Accounts**") and on the Company's website. Additionally, the Board have committed to invest approximately £250,000 on two new IT projects to assist in the development of the Company's business.

2 GB GROUP PLC AND ITS SUBSIDIARIES

- 2.1 The Company was incorporated and registered in England and Wales on 21 August 1989 with registered number 02415211 under the Companies Act 1985 as a company limited by shares with the name Flexibyte Limited. On 13 September 1989 the Company changed its name to Phonelink Data Limited. On 14 May 1993 the Company changed its name to Phonelink plc and re-registered as a public limited company. On 31 March 2000 the Company changed its name to Telme.com plc. On 28 September 2001 the Company changed its name to Telme Group plc. On 21 February 2002 the Company changed its name to GB Group plc.
- 2.2 The Ordinary Shares are admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities. The Company's shares were admitted to the Official List on 4 August 1995.
- 2.3 The registered office, head office and the principal place of business of the Company is at GB House, Kingsfield Court, Chester Business Park, Cheshire CH4 9GB (telephone number +44 0845 838 1000).
- 2.4 The Company's website address is www.gb.co.uk.
- 2.5 The Company's accounting reference date is 31 March.

2.6 The principal legislation under which the Company operates is the applicable provision of the Companies Act 1985, the Companies Act 2006 from time to time in force and as they are supplemented as amended (the "**Act**" or the "**Statutes**") and the regulations made thereunder.

2.7 Details of the Company's subsidiaries, all of which are non-trading, are as follows:

Name of Company	Country of Incorporation	Proportion of voting rights and shares held
e-Ware Interactive Limited	England and Wales	100%
GB Information Management Limited	England and Wales	100%
GB Datacare Limited	England and Wales	100%
GB Mailing Systems Limited	England and Wales	100%
Citizensafe Limited	England and Wales	100%
TelMe Global Traveller Limited	England and Wales	100%
TelMe.com Limited	England and Wales	100%
Ebetsafe Limited	England and Wales	100%
Farebase Limited	England and Wales	100%

2.8 The principal activity of the Company is a holding company and the business of the Group is the development, sale and support of business application software, the provision of marketing database and anti-fraud services and the licensing of technology. The Company's main country of operation is the United Kingdom.

3 SHARE CAPITAL

3.1 As at the publication of this document, and immediately following Admission, the authorised and issued share capital of the Company is and will be as follows:

	Authorised Share Capital		Issued Share Capital	
	£	Number	£	Number
ordinary shares of 2.5p each (" Ordinary Shares ")	2,340,238	93,609,520	2,138,392.30	85,535,692

At present, there are no Ordinary Shares currently held in treasury.

Authorised Share Capital

As at 1 April 2007, the first day of the financial year ended 31 March 2008, the authorised share capital of the Company was £2,340,238 divided into 93,609,520 Ordinary Shares of 2.5p each. Since 1 April 2007, the authorised share capital has not changed.

Issued Share Capital

As at 1 April 2007, the first day of the financial year ended 31 March 2008, 83,742,748 Ordinary Shares were in issue. Since 1 April 2007, the share capital history of the Company is as follows:

- (a) on 1 July 2007, an aggregate of 581,044 Ordinary Shares were allotted;
- (b) on 19 July 2007, the shareholders of the Company resolved by special and ordinary resolutions to:
 - (i) authorise the Directors in accordance with section 80 of the Companies Act 1985 to exercise all of the powers of the Company to allot securities up to an aggregate nominal amount of £246,669;
 - (ii) authorise the Directors pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of the Companies Act 1985) for cash;
- (c) on 1 August 2007, an aggregate of 127,590 Ordinary Shares were allotted;
- (d) on 16 July 2008, the shareholders of the Company resolved by special and ordinary resolutions to:
 - (i) authorise the Directors in accordance with section 80 of the Companies Act 1985 to exercise all of the powers of the Company to allot securities up to an aggregate nominal amount of £228,953;
 - (ii) authorise the Directors pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of the Companies Act 1985) for cash;
- (e) on 1 August 2008, an aggregate of 365,686 Ordinary Shares were allotted;
- (f) on 1 September 2008, an aggregate of 455,855 Ordinary Shares were allotted;
- (g) on 5 September 2008, an aggregate of 26,823 Ordinary Shares were allotted;
- (h) on 3 October 2008, an aggregate of 14,946 Ordinary Shares were allotted;
- (i) on 29 June 2009, an aggregate of 221,000 Ordinary Shares were allotted;
- (j) on 30 July 2009, the shareholders of the Company resolved by special and ordinary resolutions to:

- (i) authorise the Directors in accordance with section 80 of the Companies Act 1985 to exercise all of the powers of the Company to allot securities up to an aggregate nominal amount of £207,370;
 - (ii) authorise the Directors pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of the Companies Act 1985) for cash.
- 3.2 The Company is seeking Admission in respect of all of its Ordinary Shares and it is not proposed that any Ordinary Shares will be held in treasury on Admission.
- 3.3 Following Admission, the anticipated market capitalisation of the Company will be approximately £23.2 million.
- 3.4 Insofar as the Company is aware, 3.21 per cent. of the Company's Ordinary Shares will not be in public hands at the date of Admission.
- 3.5 Save as otherwise set out in this document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company.
- 3.6 No person has voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.
- 3.7 So far as the Directors are aware, there are no persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The principal objects of the Company are set out in paragraph 4 of its memorandum of association (which since 1 October 2009 is deemed to form part of the Company's articles of association (the "**Articles**") under the Acts and is available for inspection at the address specified in paragraph 2.3 of this Appendix) and include the carrying out on of business as a general commercial company.

Articles of association

The Articles include provisions to the following effect:

4.1 Dividends

The Company may, by ordinary resolution, declare dividends in accordance with the respective rights of members, and may fix the time for payment of such dividends but no dividend shall exceed the amount recommended by the directors. There are no fixed dates on which entitlement to dividend arises. Any dividend declared shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend which remains unclaimed for a period of 12 years from the date when it becomes due for payment shall, be forfeited and shall revert to the Company.

4.2 Distribution of assets on a winding up

On a voluntary winding up the liquidator may, with the authority of an special resolution and any other sanction required by the Insolvency Act 1986 divide among the members *in specie* the whole or any part of the assets of the Company, and/or vest the whole or any part of the assets in trustees on such trusts for the benefit of members as the liquidator shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.

4.3 Voting rights

Subject to the Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company, on a show of hands every member present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him. A member present by proxy shall not be deemed to be present in person.

Any corporation which is a member of the Company may authorise any person to act as its representative at any meeting of the Company. A person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member including a power to vote on a show of hands or on a poll and to demand or concur in demanding a poll.

Unless the board of directors otherwise determines, a member shall not be entitled to vote at a general meeting either personally or by proxy or (if the member is a corporation) by authorised representative in respect of any share held by him or to exercise any other rights conferred by membership in relation to meetings of the company if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

4.4 Variation of rights

Whenever the share capital of the Company is dividend into different classes of shares, then subject to the provisions of the Statutes, all or any of the rights attached to any class of shares in the Company may be varied or abrogated in such manner as those rights may provide for, or (if no provision is made) either with the consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. The provisions of the Articles relating to general meetings of the Company apply, *mutatis mutandis*, to such meetings except that the quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (but at an adjourned meeting any one holder of shares of the relevant class present in person shall be a quorum), any holder of shares of the class present in person may demand a poll and on a poll every such holder shall have one vote for every share of the class held by him.

4.5 Transfer of shares

All transfers of shares shall be effected by an instrument in any usual or common form, or in any other form acceptable to the board of directors. The instrument of

transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The board of directors may, in its absolute discretion and without assigning any reason for its decision, refuse to register any transfer of a share which is not a fully paid share, (provided that the refusal does not prevent dealings in those shares from taking place on an open and proper basis and any transfer of a share on which the Company has a lien).

In addition, the board of directors may, in its absolute discretion and without assigning any reason for its decision, decline to register the transfer of a share unless:

- (a) the instrument of transfer is lodged (stamped if the Statutes require) at the registered office accompanied by the certificate for the shares to which it relates and any other evidence the board reasonably requires to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by another person on his behalf, the authority of that person to do so), provided that in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share, the lodgement of share certificates is not required; and
- (b) the instrument of transfer is in respect of only one class of share; and
- (c) in the case of a transfer to joint holders, they do not exceed four in number.

The registration of transfers may be suspended and the register closed at such times and for such periods (not exceeding 30 days in any year) as the board of directors may from time to time determine and either generally or in respect of any class of shares.

4.6 Share capital, changes in capital and purchase of own shares

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.

The Company may by ordinary resolution:

- (a) consolidate all or any of its share capital into shares of a larger amount than its existing shares;
- (b) 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 reduce the amount of its capital by the amount of the shares so cancelled;
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum of association or the Articles (subject to the provisions of the Statutes).

Subject to the Statutes and the rights attached to any class of shares, the Company may purchase any of its own shares (including redeemable shares).

Subject to the Statutes and any rights attached to any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any manner.

4.7 Pre-emption rights

In certain circumstances, holders of Ordinary Shares (the "**Shareholders**") may have statutory pre-emption rights under the Acts in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to Shareholders.

4.8 General meetings

- (a) The Company shall hold an annual general meeting in accordance with the provisions of the Statutes.
- (b) The board of directors may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened by the board of directors upon requisition by members in accordance with the Statutes.
- (c) Notice of every general meeting (specifying, amongst other things, whether the meeting is an annual general meeting, the date, time and place of the meeting and the general nature of the business to be transacted at the meeting) shall be given to all members, the directors and the auditors (other than those not entitled to receive such notice), and to each of the directors and the auditors.
- (d) The quorum for a general meeting is two members present in person or by proxy and entitled to vote.

4.9 Appointment of directors

- (a) Unless and until otherwise determined by the Company by ordinary resolution, there shall be a maximum of ten directors and a minimum of two directors.
- (b) Subject to the Articles, the Company may by ordinary resolution appoint any person either as an additional director or to fill a vacancy. The board of directors may also appoint any person as an additional director or to fill a casual vacancy. Any person appointed by the board of directors as a director will hold office only until the next annual general meeting of the Company and shall then be eligible for election.

4.10 Remuneration of directors

- (a) The fees paid to the directors for their services must not exceed in aggregate £100,000 in any financial year.
- (b) Each director is entitled to be repaid all expenses incurred by him in attending and returning from meetings or otherwise in connection with the business of the Company or in the performance of his duties as a director.

- (c) Any director who holds an executive office may be paid such extra remuneration by way of salary, commission, participation in profit or otherwise as the board of directors may determine.
- (d) Any director who by request of the board performs special services or who goes or resides abroad for any purpose of the Company shall be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the board may decide.

4.11 Retirement and removal of directors

- (a) At each annual general meeting of the Company, one-third of the directors (or if the number of directors is not three or an integral multiple of three, the number nearest to one-third) shall retire from office. The directors to retire by rotation shall be those who have been longest in office since their last election. Each such director may, if eligible, offer himself for re-election. If the Company, at the meeting at which a director retires, does not fill the vacancy the retiring director shall, if willing, be deemed to have been reappointed unless it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
- (b) Without prejudice to the provisions of the Acts, the Company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.

4.12 Directors' interests

- (a) Subject to the Acts and provided that he has disclosed to the directors the nature and extent of any interest, a director is able to enter into contracts or other arrangements with the Company, hold any other office (except auditor) with the Company or be a director, employee or otherwise interested in any company in which the Company is interested. Such a director shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, transaction or arrangement.
- (b) Save as otherwise provided by the Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board of directors concerning any contract, arrangement, or other proposal in which he (together with any person connected with him) is to his knowledge materially interested. Interests arising purely as a result of an interest in the Company's shares, debentures or other securities are disregarded. However, a director can vote and be counted in the quorum where the resolution relates to any of the following:
 - (i) the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the director has assumed liability in whole or

in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

- (iii) any contract concerning any issue or offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings, including participation in the underwriting or sub-underwriting of the offer;
 - (iv) any contract concerning another company in which he has a direct or indirect interest whether as an officer, shareholder or otherwise, unless he holds an interest in shares representing one per cent. or more of any class of equity share capital, or the voting rights, in such company;
 - (v) the adoption, modification or operation a superannuation fund or retirement benefits under which he may benefit and which has been approved by or is subject and conditional on the approval of HMRC for taxation purposes;
 - (vi) any contract for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally awarded to the employees to whom such contract or arrangement relates; and
 - (vii) any contract concerning the purchase or maintenance of any insurance policy for the benefit of any director or for persons who include directors.
- (c) A director shall not vote or be counted in the quorum on any resolution of the board of directors concerning his own appointment (including fixing or varying the terms of his appointment or its termination) or as the holder of any office or employment with the Company or any company in which the Company is interested.
- (d) The board of directors may authorise any matter proposed to it which, if not authorised, would involve a breach by a director of his duty to avoid conflicts of interest under the Statutes, including without limitation a conflict of interest arising in relation to a transaction or arrangement with the Company. The board of directors may make such authorisation subject to any limits or conditions it expressly imposes and the authorisation may be varied or terminated by the board of directors at any time.

4.13 Powers of the directors

- (a) The business of the Company shall be managed by the board of directors, which, subject to the Statutes, the memorandum of association of the Company and the Articles and any direction given by special resolution may exercise all the powers of the Company.
- (b) Subject to the provisions of the Acts, the board of directors may exercise all the powers of the Company to borrow money, to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital, and, subject to the Statutes, to issue debentures and other

securities, either outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The board of directors shall 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 subsidiary undertakings, so as to secure that the aggregate principal amount outstanding in respect of borrowings by the Group shall not, without an ordinary resolution of the Company, exceed an amount equal to three times the adjusted capital and reserves of the Company.

- (c) The Board may exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or employee of the Company or any subsidiary who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was depending on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

4.14 Directors' indemnity and insurance

- (a) Subject to the Acts, every director or other officer of the Company (excluding an auditor) is entitled to be indemnified out of the funds of the Company against all liabilities incurred by him in relation to or in connection with his duties, powers or office including (without limitation) any liability incurred in defending any proceedings (whether civil or criminal) in relation to the affairs of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Acts to which relief is granted to him by any court of competent jurisdiction.
- (b) Subject to the provisions of the Acts, the board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any company or body which is its holding company or in which the Company or such holding company has an interest, whether direct or indirect or which is in any way allied to or associated with the Company, or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body are interested including (without limitation) insurance against any liability incurred in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or offices in relation to the Company and/or any other company, body or pension fund.

4.15 Suspension of rights

If a member or any person appearing to be interested in a share has been duly served with a notice under section 793 of the Act and has failed in relation to any shares to give the Company the information thereby required within the prescribed period from the date of the service of the notice, then, unless the board of directors otherwise determines, the member shall not be entitled to attend or vote at any general meeting or any separate meeting of the holders of that class of shares or on

a poll. Where the holding represents more than 0.25 per cent. of the issued shares of that class, the payment of dividends shall be retained by the Company and such member shall not be entitled to transfer such shares unless the member himself is not in default, or the transfer is an approved transfer or the registration of the transfer is required under the Uncertificated Securities Regulations 2001 (the "**Regulations**").

4.16 Untraced Shareholders

The Company is entitled to sell at the best price reasonably obtainable any share of a member who is untraceable, provided that:

- (a) during the period of twelve years prior to the date of the publication of the advertisements referred to below all dividends, money orders, warrants and cheques in respect of the shares in question have remained uncashed and at least three dividends in respect of the shares have been paid by the Company;
- (b) the Company has on expiry of the twelve year period inserted advertisements, both in a leading national newspaper and in a newspaper circulating in the area of the last known address of the member or other person giving notice of its intention to sell the shares;
- (c) during the twelve year period and the period of three months following the date of publication of the advertisements and prior to the exercise of the power of sale the Company has not received any indication of the whereabouts of the member or person nor any communication from the member or person; and
- (d) if shares of the class concerned are listed or dealt in on the London Stock Exchange, the Company has given notice to the Quotations Department of the London Stock Exchange of its intention to make the sale and has obtained the approval of the Quotations Department to the proposed form of the advertisements.

5 ADMISSION, SETTLEMENT (CREST) AND DEALINGS

Application will be made to the London Stock Exchange for all the Ordinary Shares to be admitted to trading on AIM.

It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 27 August 2010.

The Company's Ordinary Shares are currently admitted to CREST.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the Regulations. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will also be able to do so.

6 TAXATION

United Kingdom Taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HM Revenue & Customs ("**HMRC**") and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident and ordinarily resident in the UK for UK tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment. Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her professional advisers immediately.

6.1 Taxation of dividends

No tax will be withheld by the Company when it pays a dividend. A UK resident individual shareholder who receives a dividend from the company will be entitled to a tax credit, currently at the rate of one ninth of the cash dividend (or 10 per cent. of the aggregate of the net dividend and related tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The rate of income tax on dividends is 10 per cent. for starting and basic rate taxpayers.

An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent. for 'earned income') will have no income tax to pay in respect of the dividend.

The higher rate of income tax on dividends is currently 32.5 per cent. This means that a shareholder who is a higher rate taxpayer (currently 40 per cent. for 'earned income') will have further income tax to pay at a rate of 22.5 per cent. of the cash dividend paid plus the related tax credit (or 25 per cent. of the net dividend). For example, a dividend of £90 will carry a tax credit of £10. The income tax payable by a higher rate taxpayer would be 32.5 per cent. of £100, namely £32.50 less the tax credit of £10 leaving a net tax liability of £22.50.

A new additional rate of income tax on dividends of 42.5% has applied to taxpayers with a taxable income of over £150,000 since 6 April 2010. This means that a shareholder who is a 50% additional rate taxpayer will have further income tax to pay at a rate of 32.5% of the cash dividend plus the related tax credit (or 36.11% of the net dividend). Taking the example of the £100 dividend above, the income tax payable by an additional rate taxpayer would be 42.5% of £100, namely £42.50 less the tax credit of £10 leaving a net tax liability of £32.50.

Special rules apply in respect of dividends received by trustees. Shareholders who hold their Ordinary Shares on trust should consult their professional advisers. UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

A UK resident corporate shareholder will not generally be liable to corporation tax on any dividend received from the Company.

Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholders' country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

6.2 Taxation of chargeable gains

The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding. If a shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise, depending on their circumstances.

For UK resident shareholders within the charge to corporation tax, an indexation allowance may be available to reduce the amount of the chargeable gain realised on a disposal of the Ordinary Shares.

6.3 Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax ("**SDRT**") will generally be payable on the issue of the Consideration Shares. Special rules apply in relation to depository arrangements and clearance services.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than in the UK, you should consult your professional adviser immediately.

7 ADDITIONAL INFORMATION ON THE DIRECTORS

7.1 The names, ages and principal functions of the directors of the Company (the "**Directors**") are set out below:

<u>John</u> Leigh Walker-Howarth (65)	Non-Executive Chairman
<u>Richard</u> Anthony Law (50)	Chief Executive
<u>David</u> John Wilson (48)	Finance Director
<u>Alexander</u> William Green (43)	Non-Executive Director
<u>Richard</u> Martin Linford (58)	Non-Executive Director

7.2 David Rasche will be appointed as a non-executive director with effect from 1 September 2010. His letter of appointment will include the following terms:

Date of Contract	Term	Notice Period (month)	Fees
1 September 2010	12 months	1 month	£25,000

7.3 Details of the Directors and their backgrounds can be found in the Report and Accounts, including details of the Directors' service contracts or letters of appointment.

7.4 As at 2 July 2010, being the latest practicable date prior to the date of this document, the Directors' interests in the issued share capital of the Company (all of which are beneficial unless otherwise stated) which are required to be notified to the Company pursuant to the Disclosure Rules and the existence of which is known to or could with reasonable diligence be ascertained by the relevant Director, were as follows:

Director's Name	No of Ordinary Shares Beneficial	No of Ordinary Shares Non-Beneficial	Total	Percentage of Current Issued Share Capital
John Walker-Haworth	1,000,000	-	1,000,000	1.17
Richard Law	1,295,252	-	1,295,252	1.51
David Wilson	-	-	-	-
Alexander Green	250,000	-	250,000	0.29
Richard Linford	200,000	-	200,000	0.23

7.5 As at 2 July 2010, being the latest practicable date prior to the date of this document, the following options over Ordinary Shares have been granted to Directors under the Company's Executive Share Option Scheme and Sharesave Scheme (the "**Share Option Schemes**") and remain outstanding:

Director's Name	Scheme	No of Ordinary Shares	Exercise Price (p)	Exercise Period
Richard Law	Executive Share Option Scheme	50,000	49.5	2003-2010
		150,000	30	2003-2010
		150,000	14.5	2006-2013
		200,000	21.5	2006-2013
		200,000	19.5	2007-2014
		200,000	35.75	2008-2015
		150,000	35.25	2009-2016
150,000	35.5	2009-2016		

Director's Name	Scheme	No of Ordinary Shares	Exercise Price (p)	Exercise Period
		125,000	32.25	2011-2018
	Sharesave Scheme	14,322	33.6	2010
		25,945	27.6	2013
David Wilson	Executive Share Option Scheme	200,000	23	2019
		50,000	19.75	2012

Additional options over Ordinary Shares have been granted to Directors on the date of this document, details of which are included in an announcement of the Proposals published today.

- 7.6 Save as disclosed above, none of the Directors nor any member of their immediate family holds or is beneficially or non-beneficially interested directly or indirectly in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings.
- 7.7 The directorships and partnerships of the Directors, other than the Company and its subsidiaries and associated companies, held at present and within the five years preceding the date of the Announcement are as follows:

John Leigh Walker-Haworth

Current directorships

Blackrock Greater Europe Investment Trust plc, Chancellor House Management (Hyde Park Gate) Limited, Octane Holdings Limited, Octane Fund Management (Luxembourg SA).

Former directorships held in the last five years

IFL Capital Limited, IFL Holdings Limited, Mepsec Limited, Punter Southall Group Limited, Merrill Lynch European Investment Trust plc.

Richard Anthony Law

Current directorships

Edit Technologies Limited, Synergi Consultants Limited.

David John Wilson

Former directorships held in the last five years

Codemasters Software Company Limited (The), Digital Computers Limited, Eazyfone Limited

Richard Martin Linford

Current directorships

Parkstone Yacht Club (Haven) Limited, Sandy Lane Area Residents Environment Protection Company Limited.

Former directorships held in the last five years

Delphi Internet Limited, Learnfree Limited, Salcombe Securities Limited, News Television, News Television Japan, News NCH, Applied Decision Systems Limited, News Magazines Holdings Limited, News Corp Europe Limited, HDM Worboys Limited, Centrecore Limited, News Notes Limited, Integrated Solutions Development Limited, News Out Of Home Limited, Media Debt Collections Limited, Microtrans Limited, The Times Pension Trusts Limited, Street Realisations Limited, Eventures Limited, SBUKV Management Limited, Dragonwood Investments Limited, Northern Star Investments (No.1) Limited, Northern Star Investments Limited, Canterpath Limited, Eric Bemrose Limited, News Collins Limited, News International Distribution Limited, News International Limited, News Offset Limited, News Telemedia Europe Limited, News UK Nominees Limited, Newscorp Investments, Newsett Limited, Sky Radio Limited, Star Advertising Sales Limited, TSL Education Limited, News (UK) Limited, News Group Newspapers Limited, News International Television Investment Company Limited, News Optimus Limited, Times Newspapers Limited, Times Newspapers Production Company Limited, Virginia Two Limited, Admacroft Limited, Callcredit Marketing Solutions Limited, Canterpath Investments Limited, News International Publishers Limited, News Investments U.K. Limited, News Promotions Limited, News Times Holdings Limited, Newscorp Finance Limited, Convoys Limited, News Collins Holdings Limited, News International Newspapers (Scotland) Limited, Nursery World Limited, Worldwide Learning Limited, News International Newspapers (Knowsley) Limited, Propertyfinder Publications Limited, News Outdoor Limited, NI Syndication Limited, News International Newspapers (Ireland) Limited, News Magazines Plus Limited, News Retail Services Limited, Workazoo Limited, Brandalley UK Limited, UTV Media (GB) Limited, Times Crosswords Limited, News Network Limited, DL New Homes Limited, KIP Limited, News Property One Limited, News Property Three Limited, News Property Two Limited, NI Radio Limited, Epartners UK Management Limited, Lyntress Limited, News International (Advertisements) Limited, News International Associated Services Limited, News International Newspapers Limited, News International Supply Company Limited, News of the World Limited, Ordinto Investments, Satellite Marketing & Advertising Limited, Sky Channel Limited, Sun Limited (The), Sunday Times Limited (The), Times Limited (The), Tower Trustees Limited, News International Advertisements (Ireland) Limited, News 2026 Limited, Radio Productions London Limited, News International Holdings, Festival Records International Limited, Hubert Burda Magazines Limited, News 3003 Limited, NI Free Newspapers Limited, Times Media Limited, Newsprinters (Eurocentral) Limited, News Printers Assets Limited, News Printers Group Limited, Newsprinters (Broxbourne) Limited, The Sunday Times Whisky Club Limited, News Japan Programming Services.

- 7.8 David John Wilson was a shadow director of EXi UK Limited (which changed its name to Telecoms Realisations Limited) from March 2002 until it went into administration in May 2004. Telecoms Realisations Limited was subsequently sold in July 2004 and creditors settled.

7.9 Richard Martin Linford was an alternate director of Street Realisations Limited, a company that went into administration on 7 April 2003. Street Realisations Limited was subsequently dissolved on 27 September 2005.

7.10 Save as disclosed in this document, none of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to the assets of such director; or
- (c) has been a director of any company which, while he was a director or within 12 months after he has ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public concern by statutory or regulatory authorities (including recognised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

7.11 Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Group and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

7.12 There are no outstanding loans or guarantees provided by the Company or the Group or to, or for the benefit of, any of the Directors.

8 MAJOR SHAREHOLDERS

As at 2 July 2010 (being the latest practicable date prior to the date of this document) and immediately after Admission, insofar as is known to the Company the significant shareholdings in the Company are as follows:

Shareholder Name	No of Ordinary Shares	Percentage of Ordinary Shares
Farringdon Capital Management	7,075,000	8.27%
Herald Investment Management	6,418,388	7.50%
Charles Stanley Stockbrokers	6,070,830	7.10%

Frog Capital	5,192,000	6.00%
Barclays Stockbrokers	4,346,612	5.08%
T D Waterhouse	3,379,279	3.95%
Gartmore Investment Management	3,050,000	3.57%
Directors	2,745,252	3.21%

- 8.1 The Directors are not aware of any person who immediately prior to Admission could, directly or indirectly, jointly or severally, exercise control over the Company.
- 8.2 Those interested directly or indirectly in three per cent. or more of the issued ordinary share capital of the Company do not have different voting rights from other holders of the Ordinary Shares of the Company.
- 8.3 There are no arrangements known to the Company which may result in a change of control.

9 DISCLOSURE

The Company has adhered to all legal and regulatory requirements involved in having its securities traded on the London Stock Exchange. The Company has complied with all the continuous disclosure requirements of the Financial Services Authority and there is no material information concerning the Company which has not been announced as at the date of this document.

10 CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and supports the revised Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2008. The directors consider that the Company has complied throughout the last financial year with the provisions set out in Section 1 of the Combined Code while its shares has been admitted to trading on the Official List, except where indicated and explained in the Report and Accounts.

The Board currently comprises the non-executive Chairman, the Chief Executive, Finance Director and two Non-executive directors and is responsible to shareholders for the proper management of the Company. All directors are subject to re-election by shareholders at least every three years. The service agreements of all of the Directors are available for inspection at the Company's registered office.

The Board normally meets at least six times a year for scheduled Board meetings. The Board also meets as required on an ad-hoc basis to deal with urgent business. The non-executive directors have met during the year without the executive directors and Chairman being present. In the year to 31 March 2010, the Board met six times, the audit committee met twice, the remuneration committee met three times and the nomination committee met once. The attendance at the Board and committee meetings was as follows:

<i>Name</i>	<i>Percentage Meeting Attendance</i>	
	<i>Board</i>	<i>Committees</i>
John Walker-Haworth	100%	100%
Richard Law *	100%	100%
David Wilson	100%	-
Alexander Green	83%	100%
Richard Linford	100%	100%

* Being executive directors, Richard Law and David Wilson are not members of the audit and remuneration committees of the Board. Richard Law's attendance record for committee meetings, as detailed above, is in respect of his attendance at a meeting of the nomination committee. The nomination committee met before David Wilson was appointed to the Board.

The Company's audit committee, which comprises non-executive directors, is chaired by Richard Linford and meets at least twice a year, provides a forum for reporting by the Company's external auditor. Meetings are also attended, by invitation, by the executive directors. The primary role of the audit committee is to maintain the integrity of the financial statements and other formal announcements relating to the Company's financial performance, review significant financial reporting judgements contained in them, review the controls that are in force to maintain the integrity of the financial information reported to shareholders, review the effectiveness of the Company's systems of internal control and risk management systems in place including, but not limited to, the financial reporting process, maintain an appropriate relationship with the Company's external auditors and review the effectiveness, scope and objectivity of the audit process.

The remuneration committee is chaired by John Walker-Haworth and comprises non-executive directors and meets at least twice a year. The remuneration committee's role is to recommend to the Board the remuneration strategy and framework for the executive directors and senior managers, including the performance-related bonus scheme.

The nomination committee is chaired by John Walker-Haworth and comprises of the whole Board and meets as and when it is necessary to do so. The nomination committee's role is to ensure that appropriate procedures are in place for the nomination and selection of candidates for appointment to the Board, having regard to the balance and structure of the Board. In appropriate cases, recruitment consultants are used to assist the process. The nomination committee also makes recommendations to the Board regarding the re-election of directors, succession planning and Board composition.

The Board's policy on risk management encompasses all significant business risks to the Company, including financial, operational and compliance risks, which could undermine the achievement of business objectives. Regular monitoring of risk and control processes, across headline risk areas and other business-specific risk areas, provides the basis for regular and exception reporting to management and the Board. The Board is satisfied that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the Turnbull guidelines and subsequent updates by the Financial Reporting Council.

Further information regarding the Company's corporate governance can be found in the Report and Accounts.

11 RISK FACTORS

The following risk factors should be considered carefully by Shareholders when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting. The following risks (which are not set out in any particular order of priority) are those material risks of which the Directors are aware. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently consider to be immaterial may also have an adverse effect on the Group.

The Group's business, financial condition in the longer term, or results of operations could be materially and adversely affected by any of the risks described below. In such case, the market price of the Ordinary Shares may decline and investors may lose all or part of their investment. References in this section to the Company include references to all Group companies.

11.1 Risks associated with the move to AIM

(a) AIM Market

Whilst Admission is not expected to affect the way in which Shareholders buy and sell Ordinary Shares, the market for shares on AIM may be less liquid or subject to greater fluctuation than the Official List and shares traded on AIM may be perceived as carrying a higher risk than shares listed on the Official List.

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

(b) AIM Rules

Rules requiring companies listed on AIM to seek shareholder approval for certain transactions (including acquisitions, mergers and disposals within prescribed thresholds) differ from those which apply to companies listed in the Official List and in general they are less stringent. Accordingly, investors will not receive the same opportunities to vote on potential acquisitions, mergers and disposals proposed by the Company as if it were listed on the Official List.

12 SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 31 March 2010, being the date to which the preliminary results have been published.

13 WORKING CAPITAL

The Directors have no reason to believe that the working capital available to the Company or the Group will be insufficient for at least the next 12 months from the date of Admission.

14 MATERIAL CONTRACTS

No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its subsidiaries (a) in the two years immediately preceding the date of this document which are, or may be, material or (b) contain provisions under which the Company or any of its subsidiaries has any obligation or entitlement which is material to the Company or its subsidiaries as at the date of this Announcement.

15 LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the Group's financial position or profitability.

16 RELATED PARTY TRANSACTIONS

The Company confirms that there have been no related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No. 1606/2002) involving the Company during the last three financial years ended 31 March 2008, 31 March 2009 and 31 March 2010 and for the period between 31 March 2010 and 5 July 2010 (being the date of this document).

17 GENERAL

- 17.1 All documents and announcements made public by the Company over the last two years as a result of the Company's securities being traded upon the London Stock Exchange's market for listed securities, as well as details of the rights attaching to the Ordinary Shares, can be found at www.gb.co.uk. The information required by AIM Rule 26 can be found at <http://www.gb.co.uk/gbgroup/investors>. The latest published annual reports and accounts of the Company can be found at <http://www.gb.co.uk/gbgroup/investors/gb-financial-statements>.
- 17.2 It is estimated that the total expenses payable by the Company in connection with the move to AIM will amount to approximately £178,600 (including VAT).
- 17.3 There are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.
- 17.4 There have been no interruptions in the business of the Group, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Group or which are likely to have a material effect on the prospects of the Group for the next 12 months.
- 17.5 Save as set out in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a

material effect on the Group's prospects in the period commencing on the date of this document until 31 March 2011.

- 17.6 The Ordinary Shares are in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued. The ISIN number of the Ordinary Shares is GB0006870611.
- 17.7 Save as disclosed in this document, there have been no payments by the Group to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.
- 17.8 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- (i) received, directly or indirectly from the Group within the 12 months preceding the date of the application for Admission; or
 - (ii) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group, on or after Admission, any of the following:
 - fees totalling £10,000 or more;
 - securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
 - any other benefit with the value of £10,000 or more at the date of Admission.
- 17.9 Save as disclosed in this document, there are no investments in progress which are significant to the Group.
- 17.10 The Company must publish its first three half yearly reports as required under AIM Rule 18 no later than 31 December 2010, 31 December 2011 and 31 December 2012 and its first three annual accounts as required under AIM Rule 19 no later than 30 September 2010, 30 September 2011 and 30 September 2012.
- 17.11 There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial year. Neither are the Directors aware of any mandatory takeover bids or compulsory purchase processes affecting the Company.
- 17.12 Set out below is the average number of employees employed by the Company during each financial period shown, broken down by division:

<i>Division</i>	<i>Financial Year ended 31 March 2008</i>	<i>Financial Year ended 31 March 2009</i>	<i>Financial Year ended 31 March 2010</i>
R&D	11	14	18
Production	41	38	37

<i>Division</i>	<i>Financial Year ended 31 March 2008</i>	<i>Financial Year ended 31 March 2009</i>	<i>Financial Year ended 31 March 2010</i>
Sales and Administration	94	99	103
Total	146	151	158

17.13 The Company's solicitors are Hammonds LLP of Trinity Court, 16 John Dalton Street, Manchester, M60 8HS.

17.14 The Company received advice on the Share Option Schemes from h2glenfern Limited of 7-8 Conduit Street, London, W1S 2XF