



28 November 2003

London EC2N 1HP
Telephone 020 7797 1000
www.londonstockexchange.com

For the attention of the Nominated Advisers/ finance directors/ company secretaries, all AIM companies

AIM08

STOCK EXCHANGE AIM NOTICE

AIM RULES – UPDATE

Introduction

1. The Exchange has made a number of changes to the existing AIM Rules, which will come into effect on 1 December. We consulted the market about some of these amendments in July 2003 and we would like to thank all those who responded.

Summary of New Rules

2. The changes which have been made are:
 - drafting changes to accommodate the introduction of treasury shares;
 - a change in respect of companies seeking to cancel their admission from AIM under rule 39.

Treasury Shares

3. On 15 April 2003, 'The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003' (the Regulations) were laid before Parliament. The Regulations will amend the Companies Act 1985 (the Companies Act) to allow companies to buy-back and hold certain types of their own shares 'in treasury' for future resale, rather than being immediately cancelled on purchase. Treasury Shares are qualifying shares to which sections 162A to 162G of the Companies Act 1985 apply.

The introduction of treasury shares requires us to change the AIM Rules for Companies so that the rules reflect and accommodate the proposed changes to the Companies Act.

Cancellations

4. The Exchange has recently consulted on a proposed change in respect of companies seeking to cancel their admission from AIM under rule 39. The Exchange proposed that a company seeking cancellation of the admission of its securities to AIM must make such request conditional on the consent of 75% of votes cast by holders of each class of AIM securities being given in a general meeting.

We received many responses to this consultation, for which we are very grateful. Responses came from a range of market participants including Nominated Advisers and AIM companies. There was considerable support for the amendment to rule 39 and most respondents supported the 75% consent level.

Rules

5. The rule changes will come into effect on 1 December 2003. AIM Regulation should be contacted in any circumstances whereby a market participant considers that the introduction of this rule change may prejudice a transaction taking place.

The revised rules are available to download from our website:
www.londonstockexchange.com/aim/rules.

Hard copies of the AIM Rules will be available early 2004.

6. If you have any queries on the AIM Rules or would like further information on the rule changes please contact Gillian Watson at gwatson@londonstockexchange.com or by telephone 020 7797 2026.

David Shrimpton
Acting Head of AIM