



3 May 2005

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

AIM14

STOCK EXCHANGE AIM NOTICE

AIM RULES – UPDATE

Introduction

1. The London Stock Exchange ('the Exchange') confirms a number of changes to the existing AIM Rules which will come into effect on 1 July 2005. These changes follow the completion of the consultation launched by the Exchange in Stock Exchange AIM Notice AIM12.

Summary of rule changes

2. The most substantive changes which have been made are as follows:
 - The standard of information required for an AIM admission document which does not constitute an offer to the public under the Prospectus Directive ('PD') will be AIM-PD. As set out in the consultation document AIM 12, AIM-PD is based on the requirements of PD with certain carve outs;
 - The reference to the "nominated adviser's discretion" (in the draft rules and guidance published with AIM12) will be removed to make it clear that the standard required by AIM for admission documents which do not constitute a prospectus under PD is AIM-PD. However, Schedule Two, paragraph (k) of the AIM Rules is amended to reflect the requirements of Regulation 9 of the POS Regulations (Public Offers of Securities Regulations 1995) and would require the inclusion in the AIM admission document of any information which the nominated adviser reasonably considers necessary to enable investors to form a full understanding of the admission document and the matters contained therein.
3. For a limited period and on a case by case basis, the Exchange may accept admission documents which contain the information required by the POS Regulations (except where a prospectus must be published in accordance with PD) instead of the information required under Annex I – III (as required under Schedule Two, paragraph (a) of the AIM Rules).

Rules

4. These rule changes will come into effect on 1 July 2005.

The revised rules will be available to download in a clean and marked up version from our website shortly.

Hard copies of the AIM Rules will be available at a later date.

5. If you have any queries on the AIM Rules or would like further information on the rule changes please contact Ray Knowles at rknowles@londonstockexchange.com or by telephone 020 7797 1564. Alternatively, please contact Oded Shomroni at oshomroni@londonstockexchange.com or 020 7797 2151.

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