



London
Stock Exchange

28 May 2009

10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000
www.londonstockexchange.com

For the attention of the Nominated Advisers/ Finance
Directors/ Company Secretaries, all AIM Companies

AIM32

STOCK EXCHANGE AIM NOTICE

CHANGES TO THE DISCLOSURE OF SIGNIFICANT SHAREHOLDINGS

1. INTRODUCTION

This Notice outlines intended changes to the AIM Rules for Companies (the "AIM Rules") concerning the disclosure of significant shareholdings.

The changes are required as a result of amendments to Chapter 5 of the Financial Services Authority's ("FSA's") Disclosure and Transparency Rules ("DTRs") concerning the disclosure of shareholdings held via Contracts for Differences ("CfDs") or other related financial instruments. The amendments to the DTRs are outlined in the FSA's Policy Statement 09/03 ("PS 09"), available at:

http://www.fsa.gov.uk/pages/Library/Policy/Policy/2009/09_03.shtml

2. PURPOSE OF THIS NOTICE

This Notice draws attention to the forthcoming amendments to the DTRs and provides information on some consequential changes that are being made to certain definitions in the AIM Rules. The relevant revised definitions are included in Appendix 1 of this Notice and will take effect from 1 June 2009, at which date a new version of the AIM Rules will be issued which will include these changes as well as the changes resulting from AIM Notice 30, concerning the AIM Rules for investing companies, and AIM Notice 31 relating to rights issue subscription periods.

The amendments to the AIM Rules are discussed more fully below.

3. SCOPE OF THE DTRs IN RELATION TO AIM COMPANIES

Since 20 January 2007, AIM companies incorporated under the Companies Act or which are incorporated and have their principal place of business in the United

Kingdoms have been subject to Chapter 5 of the DTRs (collectively “DTR Companies”).

To determine whether the DTRs apply to individual AIM companies, reference should be made to the definition of “issuer” which is contained in the current draft of the DTRs available at the following link:

<http://fsahandbook.info/FSA/html/handbook/DTR>

4. **CONSEQUENTIAL AIM RULE CHANGES**

All AIM companies are required to comply with AIM Rule 17 (which, amongst other things, requires the disclosure of significant shareholdings). In addition, DTR Companies are required to comply with the provisions of DTR 5.

The guidance note to AIM Rule 17, which was updated in February 2007, set out the disclosure obligations for companies that were incorporated in a jurisdiction which does not have a similar shareholder disclosure regime to the DTRs (collectively “Non-DTR Companies”). Broadly speaking, Non-DTR Companies are required to use all reasonable endeavours to comply with AIM Rule 17 by taking measures to require significant shareholders to notify them of any relevant changes to their shareholding.

The FSA’s amendments to DTR 5 mean that holdings of long positions in CfDs or other similar financial instruments should, subject to certain exemptions, be aggregated with other share positions when determining whether a significant shareholding disclosure threshold has been exceeded. In response to this, the AIM Rule definition of “holding” is being amended to include the same provision. This amendment aligns the AIM Rules with the DTRs and ensures that DTR Companies will continue to meet the requirements of AIM Rule 17.

The amendment to the “holding” definition also has a consequential impact on Non-DTR Companies. Whilst these companies will not be subject to the DTR they should continue to make reasonable endeavours to comply with the full requirements of AIM Rule 17, and where they are informed of any relevant change to a significant shareholding resulting from a CfD or other financial instrument position they should announce this without delay.

A marked up version of the AIM Rules, incorporating the amendments to the definitions resulting from the amendments to DTR 5 is included in Appendix 1 of this Notice.

5. **SIGNIFICANT SHAREHOLDINGS THROUGH LONG CfD POSITIONS**

A shareholding represented by a holding of a long position in a CfD, or other similar financial product, should be calculated on the following basis:

DTR Companies:

Shareholders may calculate their holdings on a nominal or delta-adjusted basis until 31 December 2009, after which time only delta-adjusted assessment will be permitted. Please refer to the DTR or contact the FSA for further guidance on this point.

Non-DTR Companies:

Non-DTR Companies should encourage the disclosure of shareholdings to them on the same basis as DTR Companies to ensure consistent market notification of these positions. Therefore, disclosure on a nominal or delta-adjusted basis is acceptable until 31 December 2009, after which time shareholders should be encouraged to disclose their holdings on a delta-adjusted basis. However, disclosure on this basis will not be mandatory.

6. TRANSITIONAL PROVISIONS

As previously noted, the guidance to AIM Rule 17 requires Non-DTR Companies to make reasonable endeavours to comply with AIM Rule 17. The guidance also recommends that Non-DTR Companies should include provisions in their constitutional documents to require significant shareholders to notify them of relevant changes.

The revisions to the definition of holding may require further amendments to be made to constitutional documents. The Exchange expects a Non-DTR Company to make any amendments at the company's next annual general meeting ("AGM"), unless this meeting is within the next six months, in which case the amendments should be made by, or at, the following AGM.

7. QUERIES ON THIS NOTICE

Any specific queries in relation to the DTRs should be addressed to United Kingdom Listing Authority of the FSA. Any specific enquiries on the amendments to the DTRs resulting from PS 09, should be directed to:

Andrew Broughton
Markets Infrastructure & Policy
Financial Services Authority
25 the North Colonnade
Canary Wharf
London E14 5HS

Tel: 020 7066 0780
Email: cp08_17@fsa.gov.uk

The above details are correct at the time of publication of this Notice.

Queries from AIM companies on this Notice should be addressed to their Nomad.

Nominated Advisers or other advisers that have queries about matters relating to the AIM Rules for Companies should contact: aimregulation@londonstockexchange.com.

Bob Beauchamp
Acting Head of AIM Regulation

Appendix 1 – Amendments to the AIM Rule for Companies

All amendments are made in mark-up.

Glossary

Term

financial instrument

Meaning

Any financial instrument requiring disclosure in accordance with DTR 5.3.1.

holding

Any legal or beneficial interest, whether direct or indirect, in the **AIM securities** of a **person** who is a **director** or, where relevant, an **applicable employee** or **significant shareholder**.

It includes holdings by the **family** of such a **person**.

In addition, when determining whether a person is a significant shareholder, a holding also includes a position in a financial instrument.

significant shareholder

Any person with a holding ~~shareholder~~ of 3% or more ~~of in~~ any class of **AIM security** (excluding **treasury shares**).