THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your MICE Shares, please send this document and the accompanying documents at once to the purchaser or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into the United States, Canada, Australia, Australia or Japan.

A copy of this document, which comprises listing particulars relating to MICE in accordance with the listing rules made under section 74 of the Financial Services and Markets Act 2000, has been delivered to the Registrar of Companies in England and Wales for registration as required by section 83 of that act.

Application has been made to the UK Listing Authority for the New MICE Shares to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that admission of the New MICE Shares to the Official List will become effective and that dealings for normal settlement will commence on the London Stock Exchange on the first dealing day following the day on which the Offer becomes or is declared unconditional in all respects (save for the condition relating to Admission).

MICE Group plc

Proposed Offer for Expocentric plc

Notice of Extraordinary General Meeting

Listing particulars relating to the issue of up to 32,078,557 ordinary shares of 4 pence each in connection with the proposed offer

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City Financial Associates Limited, which is regulated by the Financial Services Authority, is acting for MICE and no-one else in connection with the Offer, and will not be responsible to anyone other than MICE for providing the protections afforded to its customers or for providing advice in relation to the Offer.

Beeson Gregory Limited, which is regulated by the Financial Services Authority, is acting for MICE and no-one else in connection with these listing particulars, and will not be responsible to anyone other than MICE for providing the protections afforded to its customers or for providing advice in relation to these listing particulars.

Notice of an Extraordinary General Meeting to be held at 11.00 a.m. on Monday 14 January 2002 at the offices of Nabarro Nathanson, Lacon House, Theobald's Road, London WC1X 8RW is set out at the end of this document. The accompanying Form of Proxy should be completed and returned as soon as possible and, in any event, to reach the Company's registrars Connaught St. Michael's Limited, Cresta House, Alma Street, Luton, Bedfordshire LU1 2PU by no later than 11.00 a.m. on Saturday 12 January 2002.

The New MICE Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended), and the relevant clearances have not been, and will not be, obtained from the securities commission of any province in Canada. No prospectus in relation to the New MICE Shares has been, or will be, lodged with or registered by the Australian Securities and Investments Commission, nor have any steps been taken or will be taken to enable the New MICE Shares to be offered in Japan in compliance with applicable securities laws in Japan. Accordingly, the New MICE Shares may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia, or Japan.

CONTENTS

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors

Michael James Curley	Executive Chairman
David Richard Pugh	Finance Director
James Richard Harold Curley	Executive Director
Peter Marshall Dillon	Executive Director
John Billington	Executive Director
Stephen John Barclay	Non-executive Director
The Rt. Hon. Sir Richard Francis Needham	Non-executive Director
George Wolfgang Kadoke	Non-executive Director

all of 10 Arley Industrial Park, Colliers Way, Spring Hill, Arley, Coventry CV7 8HN

Secretary

John Billington FCCA

Registered office

10 Arley Industrial Park
Colliers Way
Spring Hill
Arley
Coventry CV7 8HN

Financial Adviser

City Financial Associates Limited
Pountney Hill House
6 Laurence Pountney Hill
London EC4R 0BL

Sponsor and Broker

Beeson Gregory Limited
The Registry
Royal Mint Court
London EC3N 4EY

Solicitors to the Company

Nabarro Nathanson
Lacon House
Theobald's Road
London WC1X 8RW

Auditors

Hart Shaw
346 Glossop Road
Sheffield S10 2HW

Reporting Accountants

Ernst & Young LLP
One Colmore Row
Birmingham B3 2DB

Registrars and Receiving Agents

Connaught St. Michael's Limited
Cresta House
Alma Street
Luton
Bedfordshire LU1 2PU

PART I

LETTER FROM THE CHAIRMAN OF MICE GROUP PLC

(Incorporated in England and Wales under the Companies Act 1985 with Registered No.2879731)

Directors:

Michael James Curley (Executive Chairman)
David Richard Pugh (Finance Director)
James Richard Harold Curley (Executive Director)
Peter Marshall Dillon (Executive Director)
John Billington (Executive Director)
Stephen John Barclay (Non-executive Director)
The Rt. Hon. Sir Richard Francis Needham (Non-executive Director)
George Wolfgang Kadoke (Non-executive Director)

Registered Office:

10 Arley Industrial Park
Colliers Way
Spring Hill
Arley
Coventry CV7 8HN

21 December 2001

To Shareholders and, for information only, to participants in the Share Option Schemes

Dear Shareholder

Proposed Offer for Expocentric

Introduction

On 20 December 2001, the boards of MICE and Expocentric announced that the Company had agreed terms for a recommended all share offer to acquire Expocentric.

The Offer, which is being made on our behalf by City Financial Associates, is to acquire the entire issued and to be issued share capital of Expocentric not already owned by MICE on the basis of 10 New MICE Shares for every 19 Expocentric Shares. On the basis that the Offer is successful, existing MICE Shareholders and Expocentric Shareholders would own approximately 64.6 per cent. and 35.4 per cent. respectively of the enlarged issued share capital of MICE, assuming no exercise of share options. The Offer values the whole of the issued share capital of Expocentric at £30.5 million based on a closing middle market price of a MICE Share of 95 pence on 19 December 2001, being the latest dealing day prior to the announcement of the Offer. MICE currently owns 1,750,000 Expocentric Shares representing approximately 2.9 per cent. of the issued share capital of Expocentric.

Due to the size of the proposed acquisition in relation to the MICE Group, the Offer is conditional upon the approval of MICE Shareholders. This letter explains why your Board believes that the Offer is in the best interests of MICE and its shareholders and seeks your approval for the Offer at the EGM to be held on Monday 14 January 2002. Further background to and reasons for the Offer and its terms, together with further information on MICE and Expocentric, are set out below.

Background to and reasons for the Offer

MICE has consistently grown and developed its business over a number of years. It has shown strong organic growth supplemented by complementary acquisitions. Since flotation in December 1994 a total of £9.96 million before expenses has been raised externally from the issue of new MICE Shares. Cash returns to shareholders comprising dividends paid to 30 June 2001 and purchases of the Company's own shares have totalled £5.10 million over the same period, leaving net new money of only £4.86 million in the Company.

Against this background, turnover increased from £14.58 million in 1995 to £85.386 million in 2000. Profit before taxation increased from £0.817 million to £5.057 million in the same period. Operating margins have also improved as MICE has diversified away from being principally a manufacturer and installer of exhibition stands and fittings to providing creative services relating to the design, project management and organisation of displays at exhibitions, museums and conferences. This strategy has been adopted as result of customer demand for a "one-stop-shop". In addition, MICE has developed an international business with a good quality client list.

Following on from these achievements, your Board believes that there remain many attractive opportunities to grow and develop the business both organically and by selective and complementary acquisition. Expocentric is a relatively newly established business which provides commercial, 3D interactive exhibition halls offering digital space for show organisers and exhibitions. In November 2000, approximately £31.5 million was raised as development capital for Expocentric. As at 30 September 2001, Expocentric had net assets of approximately £33.6 million, including cash at bank of £33.2 million. The consideration being paid for Expocentric under the Offer reflects the MICE Directors' view of the value of the cash balances and the businesses to be acquired.

The acquisition of Expocentric provides MICE with an opportunity to extend its range of products. It is intended that Expocentric's cash resources will be applied to reduce MICE's existing indebtedness, to provide additional working capital to fund organic growth and allow it to acquire complementary businesses as and when opportunities arise. The acquisition of Expocentric also brings with it intellectual property which may enable MICE to extend its range of customer services.

On successful completion of the Offer, the board of MICE will consider inviting a representative or representatives of the Expocentric board to join the board of MICE.

Terms of the Offer

The Offer is being made on the basis of:

For every 19 Expocentric Shares **10 New MICE Shares**

Based on the closing middle market price of a MICE Share of 95 pence on 19 December 2001, being the latest dealing day prior to the announcement of the Offer, the Offer values each Expocentric Shares at 50 pence and the entire ordinary share capital of Expocentric at approximately £30.5 million. The Offer represents a premium of approximately 59 per cent. to the closing middle market price of 31.5 pence per Expocentric Share on 19 December 2001, being the last dealing day before the announcement of MICE's intention to make the Offer. Acceptance in full of the Offer by all Expocentric Shareholders would result in the issue of up to 32,078,557 New MICE Shares representing approximately 54.8 per cent. of current issued share capital of the Company and 35.4 per cent. of the enlarged issue share capital of the Company, assuming no exercise of share options.

The New MICE Shares will be issued credited as fully paid and will rank pari passu in all respects with the existing MICE Shares including the right to receive all dividends and other distributions declared, made or paid hereafter, save that they will not rank for any final dividend paid in respect of the current financial period. The New MICE Shares will be issued free from all liens, charges, equitable interests, encumbrances and other interests. Application has been made for the New MICE Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

The Offer will initially remain open for acceptance until 3.00 p.m. on 10 January 2002. The Offer may be extended to a later date, but the Offer will not be capable of being kept open after 3.00 p.m. on 18 February 2002, unless it has become or been declared unconditional as to acceptances by midnight on that date, provided that MICE has reserved the right to extend the Offer to a later date with the permission of the Panel. If the Offer becomes or is declared unconditional as to acceptances, it will remain open for not less than 14 days from the date on which it would have expired.

Information on MICE

MICE provides below-the-line marketing support services primarily to multinational companies and government agencies. It concentrates on the design, project management, organisation and installation of market support services and aims to provide an "one-stop" solution for the provision of such services.

MICE employs around 1,000 people and its operations are based in five countries.

In the year ended 31 December 2000, MICE reported sales of £85.386 million and profit before taxation of £5.057 million. As at 19 December 2001, MICE had a market capitalisation of approximately £55.6 million. Net assets as at 30 June 2001, the date of the latest published interim results, were £24.476 million.

Information on Expocentric

Expocentric was established to develop and provide commercial 3D and interactive exhibition halls, offering digital space for show organisers and exhibitors. Expocentric's aim has been to develop an on-line exhibition facility which provides the infrastructure to extend the business potential of on-line exhibitions and reach wider markets via the Internet for both exhibition organisers and their exhibitors and to generate incremental revenues for exhibition organisers from sales of exhibition stands, advertising and sponsorship to show participants.

The business was established in February 1999 and was incorporated as Expocentric in September 1999. The first products were launched in May 2000 after a period of development. In November 2000, Expocentric Shares were admitted to the Official List and approximately £31.5 million was raised as development capital for Expocentric.

In the aftermath of the flotation, market conditions changed fundamentally for Expocentric. This change prompted the board to reappraise its strategy. The Directors considered various strategic options including reducing the cost base, broadening the product range and consolidating by acquisition in their chosen market sector. Sales in the nine months to 30 September 2001 were £360,000 and a loss before taxation of £9,074,000 was recorded. Net assets as at 30 September 2001 were £33.643 million. These results are included in Part III of this document.

In the run up to the publication of the third quarter results, the Expocentric board took the decision that its shareholders' interests would be best served by merging Expocentric's significant cash resources and its embryonic businesses with an established related business such as MICE.

Current trading and prospects

During the six months to 30 June 2001 strong organic growth was achieved by the Group. Earnings per share and profit before taxation for the six months increased by 34 per cent..

As highlighted in the interim statement, a copy of which is included in full in Part II of this document, we continue to experience slow development in the start up of our San Francisco operation while the programme of rationalisation is progressing as envisaged.

Notwithstanding the above and the general volatile economic condition, the Group has continued to trade in line with the Directors expectations and the Board remains confident of the Company's prospects in the current financial year.

On completion of the Offer, the Directors will conduct a review of the business and trade of Expocentric. While Expocentric has encountered difficulties in establishing its business on a stand alone basis, the Directors believe that there will be potential to offer some of the services provided by Expocentric as an additional service to those currently offered by MICE to its clients.

The acquisition of Expocentric will enable MICE to reduce its indebtedness, provide working capital for further organic growth and will enable MICE to make complementary acquisitions. The Directors are therefore confident of the future prospects of the Enlarged Group.

Financial effects of the Offer

The cash balances being acquired with Expocentric will be used to reduce existing borrowing levels within Mice and therefore substantially strengthen the Company's balance sheet. A pro forma unaudited statement of net assets of the Enlarged Group is set out in Part IV of this document showing pro forma net assets of approximately £56.559 million including net cash resources of £36.592 million.

Notice of Extraordinary General Meeting

A notice convening an Extraordinary General Meeting to be held at the offices of Nabarro Nathanson, Lacon House, Theobald's Road, London WC1X 8RW on Monday 14 January 2002 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions is set out at the end of this document:

(i) to approve the Offer, to increase the share capital of MICE and to authorise the MICE Directors to allot relevant securities pursuant to section 80 of the Act; and

(ii) to display the statutory pre-emption rights set out in section 95 of the Act.

Admission, settlement and dealings

The existing Ordinary Shares have been admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. An application for Admission has been made in respect of the New MICE Shares. It is expected that Admission will become effective and that dealings in the New MICE Shares will commence on the first dealing day following the date on which the Offer becomes or is declared unconditional in all respects (save only for the condition of the Offer relating to Admission). The New MICE Shares will not be available to the public in conjunction with the application for Admission except by way of valid acceptances of the Offer. All the existing Ordinary Shares are, and the New MICE Shares will be, in registered form.

Subject to the Offer becoming or being declared unconditional in all respects, settlement of the consideration to which any Expocentric Shareholder is entitled pursuant to the acceptance of the Offer, will be made (except in the case of certain overseas shareholders) not later than 14 days after the Offer becomes or is declared unconditional in all respects, or 14 days after receipt of a valid and complete acceptance, whichever is the later.

All documents and remittances sent by or to Expocentric Shareholders, in accordance with their instructions, will be sent at their own risk. No temporary documents of title will be issued and pending dispatch of definitive certificates to Expocentric Shareholders, transfers will be certified against the register held by Connaught St. Michael's Limited.

MICE has applied for the New MICE Shares to be admitted to CREST. CREST is a paperless settlement procedure allowing securities to be evidenced otherwise than by a certificate and to be transferred otherwise than by a written instrument.

Additional Information

Further details of the Offer are contained in the Offer Document, which was despatched to Expocentric Shareholders on 20 December 2001 and is being sent, for information only, to MICE Shareholders along with this document. Your attention is drawn to the additional information contained in Parts II to V of this document.

Action to be Taken

You will find enclosed with this document a Form of Proxy to enable you to vote at the Extraordinary General Meeting. Whether or not you intend to present at the Extraordinary General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to Connaught St. Michael's Limited, Cresta House, Alma Street, Luton, Bedfordshire LU1 2PU, so as to arrive no later than 11.00 a.m. on Saturday 12 January 2002. Completion and return of the Form of Proxy will not affect your right to attend in person and vote at the Extraordinary General Meeting if you so wish.

Recommendation

The Directors of MICE, who have received financial advice from City Financial Associates, consider the Offer and the Resolutions to be in the best interests of the Company and Shareholders as a whole. In providing advice to the Directors, City Financial Associates has taken into account the Directors' commercial assessment of the Offer.

Accordingly, the Directors of MICE unanimously recommend that MICE Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as they have irrevocably undertaken to do so in respect of their own beneficial holdings, which in aggregate amount to 10,722,536 Ordinary Shares (representing approximately 18.33 per cent. of the Company's issued share capital).

Yours sincerely

Michael Curley
Chairman

PART II

FINANCIAL INFORMATION RELATING TO MICE

Nature of financial information

The financial information detailed in this Part II is set out in two parts as follows:

Section A unaudited interim results for MICE for the six months ended 30 June 2001; and

Section B extracts from the audited accounts for MICE for the three years ended 31 December 2000.

Section A Unaudited interim accounts for MICE for the six months ended 30 June 2001

The following is the full text of the interim statement for the six months ended 30 June 2001.

"Dear Shareholder

CHAIRMAN'S STATEMENT

Review of Results

Strong organic growth has been achieved by the Group during the first half of the year. These excellent results further demonstrate our proven ability to understand and meet the needs of clients by providing total creative solutions sourced principally from our own operations.

Earnings per share for the six months have grown by 34% to 3.26p (2000 : 2.44p). This outstanding growth has been generated entirely from organic operations with the profit before tax increasing to £2,761,000 (2000 : £ 2,060,000). Turnover for the period of £46,870,000 is well ahead of last year (even though last year's turnover contained a large amount of 'cost-pass-through' in World Expo).

We have continued to achieve strong operating cash inflow for the period of £2,513,000 (2000 : £887,000). At 30 June 2001, net interest bearing debt of £21,817,000 was £8,652,000 higher than at 31 December 2000, this includes investments of £9,100,000 in capital projects. The major part of Group debt relates to freehold properties with the purpose built developments in Hounslow, Coventry and Toronto now nearing completion.

The increase in profits has enabled the Board to continue with its progressive dividend policy, the interim dividend of 0.48p (2000 : 0.44p) being 9% higher than the comparable figure last year.

During the first half of the year we have continued our track record of sustained growth by the broadening and deepening of client relationships across a wide range of business sectors. Major projects have been undertaken for Siebel, Motorola, Eli Lilly, Ford, Compaq, Vignette, Portsmouth Naval Base Property Trust, Bacardi Martini, Emirates Airline, Galileo, Astra, Sony, Shell and Bang & Olufsen.

The Board joins me in thanking all employees for their hard work, skills and dedication which has enabled the Group to report such excellent results. To meet the needs of our clients requires absolute deadlines to be fulfilled over wide geographic areas and we fully appreciate the achievements of our employees in these demanding conditions.

Current and Future Trading

We continue to pursue our objective of becoming a leading global international supplier of below the line marketing support services. The Group's ability to control a project from design through to installation enhances our reputation and encourages client loyalty. The international network of Group operations assists multinational clients by generating greater returns from their marketing activities.

In Europe we have established ourselves as one of the market leaders and yet we believe that our share of this highly fragmented market is less than one per cent. In North America we are the leading design and exhibition company in Canada and are in the process of establishing our office in San Francisco.

Significant growth opportunities exist across our geographic range of operations due to the highly fragmented nature of the market.

As anticipated, we are experiencing a slow down in our rate of growth during the second half of the year. This is entirely due to the recent volatile economic conditions which have led to a reduction in our domestic order books both in the U.K. and Germany.

Similarly we are experiencing slow development in the start up of our San Francisco operation, which is again entirely due to the uncertain economic climate in the West Coast region of the United States of America.

The Board intends to use the remainder of this financial year to carry out programmes of rationalisation and, in certain exceptional circumstances if appropriate, the disposal of some parts of its operations. The effect of such actions should lead to a more efficient Group structure.

Despite the downturns in the various domestic markets we are pleased to say that we are experiencing a substantial increase in both the level of orders and enquiries for International projects. Therefore our order book remains strong and our level of enquiries are at record levels.

The strength of our client base, the fragmentation of the market and the unique position of the Group gives us confidence that further growth in the future will be delivered to our shareholders.

Michael Curley
Chairman

17 September 2001

GROUP PROFIT AND LOSS ACCOUNT

	Notes	Unaudited 6 months to 30 June 2001 £'000	Unaudited 6 months to 30 June 2000 £'000	Audited 12 months to 31 December 2000 £'000
Turnover				
– Continuing operations		46,870	42,784	85,386
Cost of sales		(31,777)	(32,242)	(60,502)
Gross Profit		15,093	10,542	24,884
Selling and administrative expenses		(11,711)	(8,048)	(18,654)
Operating Profit				
– Continuing operation		3,382	2,494	6,230
Net interest payable		(621)	(434)	(1,173)
Profit on Ordinary Activities Before Taxation		2,761	2,060	5,057
Taxation		(826)	(620)	(1,571)
Profit on Ordinary Activities After Taxation		1,935	1,440	3,486
Minority interest - equity		–	2	2
Profit Attributable to the Members of the Holding Company		1,935	1,442	3,488
Dividends	4	(283)	(261)	(957)
Retained Profit for the Period		1,652	1,181	2,531
Statement of Retained Profit				
At the beginning of the year		6,565	3,946	3,946
Retained profit for the period		1,652	1,181	2,531
Currency translation difference on foreign investments		49	30	88
At end of the period		8,266	5,157	6,565
Basic Earnings Per Share	3	3.26p	2.44p	5.88p
Diluted Earnings Per Share	3	3.16p	2.40p	5.70p

GROUP BALANCE SHEET

	Unaudited as at 30 June 2001 £'000	Unaudited as at 30 June 2000 £'000	Audited as at 31 December 2000 £'000
Fixed Assets			
Tangible fixed assets	25,513	15,664	18,500
Intangible fixed assets	18,149	8,187	18,132
Investments	949	140	77
Investment in associate	331	331	331
	44,942	24,322	37,040
Current Assets			
Stocks and work in progress	5,463	6,074	5,828
Debtors	19,363	20,789	19,956
Cash at bank and in hand	3,386	5,187	3,464
	28,212	32,050	29,248
Creditors			
Amounts falling due within one year	(21,823)	(23,550)	(24,855)
Net current assets	6,389	8,500	4,393
Total assets less current liabilities	51,331	32,822	41,433
Creditors			
Amounts falling due after more than one year	(25,950)	(12,238)	(17,761)
Provisions for liabilities and charges	(905)	(667)	(897)
	24,476	19,917	22,775
Capital and Reserves			
Called up share capital	2,406	2,389	2,406
Unissued shares	1,300	800	1,300
Share premium	12,203	11,571	12,203
Profit and loss account	8,266	5,157	6,565
Shareholders' Funds	24,175	19,917	22,474
Minority interests – equity	301	–	301
	24,476	19,917	22,775

GROUP CASH FLOW STATEMENT

	Unaudited 6 months to 30 June 2001 £'000	Unaudited 6 months to 30 June 2000 £'000	Audited 12 months to 31 December 2000 £'000
Operating profit	3,382	2,494	6,230
Depreciation of tangible fixed assets	1,407	1,174	2,701
(Profit)/loss on disposal of tangible fixed assets	(23)	15	33
Increase in working capital	(2,253)	(2,796)	(3,896)
Net cash inflow from operating activities	2,513	887	5,068
Cash Flow Statement			
Net cash inflow from operating activities	2,513	887	5,068
Returns on investments and servicing of finance	(621)	(327)	(1,099)
Taxation	(633)	(319)	(1,161)
Capital expenditure and financial investment	(9,100)	(1,561)	(5,280)
Acquisitions	–	(958)	(2,776)
	(7,841)	(2,278)	(5,248)
Equity dividends paid	(694)	(650)	(913)
Net cash outflow before use of liquid resources and financing	(8,535)	(2,928)	(6,161)
Financing - Issue of shares	–	26	46
- Loans and finance leases	7,990	3,000	2,501
Increase/(Decrease) in cash during the period	(545)	98	(3,614)
Reconciliation of Net Cash Flow to Movement in Net Debt			
Opening net debt	(13,165)	(6,715)	(6,715)
Increase/(Decrease) in cash during the period	(545)	98	(3,614)
Loans and finance leases	(7,990)	(3,253)	(2,798)
Currency translation differences	(117)	(49)	(38)
Closing net debt	(21,817)	(9,919)	(13,165)

NOTES TO THE INTERIM REPORT

1. Copies of Unaudited Interim Report

This statement is being sent to shareholders on Monday 17 September 2001 and can be obtained by the public from the company's registered office at 10, Arley Park, Colliers Way, Arley, Coventry CV7 8HN.

2. Financial Information

The financial information for the six months ended 30 June 2001 has not been audited nor has the financial information for the equivalent period in 2000.

The interim report has been prepared on a consistent basis using accounting policies set out in the 2000 annual report.

The figures for the 12 months ended 31 December 2000 do not constitute the Group's full statutory financial statements. Full statutory statements have been delivered to the Registrar of Companies.

3. Earnings per Share

Earnings per share is calculated as follows :

	6 months to 30 June 2001			6 months to 30 June 2000		
	Pence per Share	Profit £'000	Number of Shares	Pence per Share	Profit £'000	Number of Shares
Net profit for the period		1,935			1,442	
Weighted average number of shares			59,336,394			59,118,121
Basic Earnings Per Share	3.26p			2.44p		
Number of shares under option			2,366,573			1,360,808
Number of shares that would be issued at fair value			(451,660)			(279,550)
Diluted Earnings Per Share	3.16p	1,935	61,251,307	2.40p	1,442	60,199,379

4. Dividends

The Directors are recommending the payment of an interim dividend of 0.48p per share which will be paid on 15 October 2001 to shareholders on the register at 28 September 2001.

Section B Financial information on MICE for the three years ended 31 December 2000

Basis of Financial Information

The financial information contained in this Section B does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information in Section B for the three years ended 31 December 2000 has been extracted without material adjustment from the full audited consolidated accounts of the MICE Group for those three years. Copies of the accounts for the three years ended 31 December 2000 have been delivered to the Registrar of Companies in England and Wales. Hart Shaw, Chartered Accountants and Registered Auditors, of 346 Glossop Road, Sheffield S10 2HW have made a report under section 235 of the Companies Act 1985 in respect of the statutory consolidated accounts for the three years ended 31 December 2000 and such reports were unqualified and did not contain a statement under section 237(2) of the Companies Act 1985.

1. Consolidated profit and loss accounts

		For the year ended 31 December		
		2000	**1999**	**1998**
	Notes	**£'000**	**£'000**	**£'000**
Turnover - continuing operations	1	81,110	50,179	33,097
- acquisitions		4,276	13,204	6,690
		85,386	63,383	39,787
Cost of sales		60,502	44,608	27,968
Gross profit		24,884	18,775	11,819
Administrative expenses		18,654	13,781	8,583
Goodwill amortisation		–	–	90
Operating profit - continuing operations	2	6,005	4,994	2,630
- acquisitions	2	225	–	516
Other interest receivable and similar income	5	100	2	180
		6,330	4,996	3,326
Interest payable and similar charges	6	1,273	781	768
Profit on ordinary activities before taxation		5,057	4,215	2,558
Taxation	7	1,571	1,309	801
Profit on ordinary activities after taxation		3,486	2,906	1,757
Minority interest - equity		2	(16)	19
Profit attributable to the members of the holding company		3,488	2,890	1,776
Dividends	8	957	886	545
Retained profit for the financial year		2,531	2,004	1,231
Basic earnings per share	9	5.88p	5.24p	3.67p
Diluted earnings per share	9	5.70p	5.07p	3.60p
Statement of total recognised gains and losses				
Profit for the financial year		3,488	2,890	1,776
Currency translation differences on foreign currency net investments		88	(28)	10
Total gains and losses recognised since the last financial year		3,576	2,862	1,786

2. Consolidated balance sheets

	Notes	2000 £'000	2000 £'000	1999 £'000	1999 £'000	1998 £'000	1998 £'000
		As at 31 December					
Fixed assets							
Intangible fixed assets	10		18,132		6,639		2,819
Tangible fixed assets	11		18,500		14,530		7,459
Investments	13		77		157		11
Investment in associate	14		331		331		331
			37,040		21,657		10,620
Current assets							
Stocks and work in progress	15	5,828		4,864		2,229	
Debtors	16	19,956		17,094		8,045	
Cash at bank and in hand		3,464		5,226		2,442	
		29,248		27,184		12,716	
Creditors							
Amounts falling due within one year	17	24,855		20,207		12,519	
Net current assets			4,393		6,977		197
Total assets less current liabilities			41,433		28,634		10,817
Creditors							
Amounts falling due after more than one year	18		17,761		9,234		3,590
Provisions for liabilities and charges							
Deferred taxation	19		897		667		251
Net assets			22,775		18,733		6,976
Capital and reserves							
Called up share capital	20		2,406		2,383		1,817
Unissued shares	21		1,300		800		800
Share premium account	22		12,203		11,512		2,055
Profit and loss account	22		6,565		3,946		2,270
Revaluation reserve	22		–		–		34
Shareholders' funds			22,474		18,641		6,976
Minority interests – equity	22		301		92		–
			22,775		18,733		6,976

3. Consolidated cash flow statements

	Notes	2000 £'000	1999 £'000	1998 £'000
		For the year ended 31 December		
Net cash inflow/(outflow) from operating activities	26	5,068	(75)	3,658
Returns on investments and servicing of finance	27(a)	(1,099)	(682)	(588)
Taxation paid		(1,161)	(912)	(662)
Capital expenditure and financial investment	27(b)	(5,280)	(4,736)	(2,547)
Acquisitions	27(c)	(2,776)	(4,444)	(4,019)
		(5,248)	(10,849)	(4,158)
Equity dividends paid		(913)	(599)	(433)
Net cash outflow before use of liquid resources and financing		(6,161)	(11,448)	(4,591)
Management of liquid resources	27(d)	–	1,531	(850)
Financing				
- issue of shares	27(e)	46	9,319	–
- loans and finance charges	27(e)	2,501	4,375	3,280
(Decrease)/increase in cash during the year		(3,614)	3,777	(2,161)
Reconciliation of net cash flow to movement in net debt	28			
Net debt at 1 January		(6,715)	(4,690)	751
(Decrease)/increase in cash during the year		(3,614)	3,777	(2,161)
New bank loans		(3,915)	(6,239)	(2,802)
Repayment of bank loans		888	717	161
Inception of hire purchase and finance lease obligations		(890)	(1,218)	(1,049)
Repayment of hire purchase and finance lease obligations		1,119	1,018	410
Currency translation differences		(38)	(80)	–
Net debt at 31 December		(13,165)	(6,715)	(4,690)

4. MICE accounting policies

a) The basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. Following the introduction of Financial Reporting Standard (FRS) 15 the MICE Group has restated short leasehold buildings at historical cost.

b) Consolidation

The MICE Group financial statements include the financial statements of the Company and its subsidiary undertakings up to the end of the financial year.

c) Goodwill

Goodwill represents the excess of the purchase cost compared with the fair value of assets acquired and £447,000 has been written off against reserves until 31 December 1996. On the disposal or closure of businesses where goodwill has been written off to reserves, the amount written off will be charged to the profit and loss account. In accordance with FRS 10 and 11, the carrying value of each intangible fixed asset will continue to be reviewed annually for impairment, on the bases set out in FRS 11. No amortisation is provided where the specialist nature of the business, its market position, or the commitment of the Group to enhance its value indicate that the value of the acquired business will indefinitely continue to exceed the value of its net assets. In order to give a true and fair view, the financial statements depart from the requirement of companies legislation to amortise goodwill. Had intangible fixed assets been depreciated over twenty years, the additional charge against profits would have been £771,000 at 31 December 2000.

d) Depreciation

Tangible fixed assets are depreciated mainly on a straight line basis in order to write off cost less residual value of the assets over their estimated useful lives using the following rates:

Long leasehold and freehold buildings	2%
Plant, fixtures and equipment	10% - 33%
Office furniture and equipment	10% - 33%
Motor vehicles	25%

Short leasehold buildings are depreciated on a straight line basis over the length of the lease. Freehold land is not depreciated.

e) Investments

Investments are stated at cost less provision for impairment.

f) Stocks and work in progress

Stocks are valued at the lower of cost and estimated net realisable value.

g) Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

h) Hire purchase and leasing commitments

Assets obtained under hire purchase and finance lease contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

i) Deferred taxation

Full provision is made for deferred taxation except where there is a reasonable probability that no liability will arise in the foreseeable future. Provision is made for U.K. or foreign taxation arising from the distribution to the U.K. of retained profits of overseas subsidiaries where it is intended to distribute such profits.

j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end or, where appropriate, the forward cover rate. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, where appropriate, the forward cover rate. The profit and loss accounts of overseas subsidiary undertakings are translated into sterling at the average rates of exchange during the period. Exchange differences arising on consolidation of the net investments in overseas subsidiaries are taken to reserves. All other exchange gains or losses are charged or credited to the profit and loss account for the year.

k) Pensions

The cost of providing retirement pensions and related benefits in respect of defined contribution schemes is charged to the profit and loss account when incurred. The contributions are held in separately administered funds from the Group's assets.

5. *Notes to the MICE Financial Statements*

1. Turnover

Turnover represents the value of goods and services provided to customers exclusive of value added tax. The Group operates in a single business segment and the turnover and pre-tax profit are all attributable to the principal activities. An analysis of the result and net assets by geographic segment is not provided.

The turnover was achieved with clients located in the following markets:

	2000 £'000	1999 £'000	1998 £'000
United Kingdom	49,143	39,474	24,338
Other E.C. countries	17,023	18,920	8,949
Rest of Europe	448	217	3,119
Americas	17,094	3,681	1,839
Africa	182	60	464
Asia	1,496	1,031	1,078
	85,386	63,383	39,787

Of the above turnover £8,338,000 (1999: £8,273,000, 1998: £2,879,000) originated from other E.C. countries and £18,250,000 (1999: £4,628,000, 1998: Nil) from North America.

2.a Profit and loss account analysis

	2000 £'000			1999 £'000			1998 £'000		
	Continuing Operations	Acquisitions	Total	Continuing Operations	Acquisitions	Total	Continuing Operations	Acquisitions	Total
Cost of sales	57,732	2,770	60,502	35,777	8,831	44,608	24,223	3,745	27,968
Gross profit	23,378	1,506	24,884	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Admin expected	17,373	1,281	18,654	9,737	4,044	13,781	6,244	2,339	8,583

2.b Operating Profit

	2000 £'000	1999 £'000	1998 £'000
Operating profit is stated after charging:			
Directors' emoluments	577	440	371
Depreciation of tangible fixed assets			
- owned assets	2,255	1,144	547
- *leased assets*	446	506	363
Amortisation of goodwill	–	–	90
(Profit)/loss on foreign currencies	(34)	120	(167)
Operating lease rentals			
- plant and machinery	348	200	41
- land and buildings	1,129	893	501
Auditors' remuneration	161	134	57
Remuneration of auditors for non-audit work	44	79	39
Loss/(profit) on disposal of tangible fixed assets	33	(23)	12

3. Directors' emoluments and Service Contracts

1998

Table of directors' emoluments

Director	1998 Salary	1998 Bonus	1998 Benefits	1998 Total	1997 Total
M.J. Curley	126,000	48,000	9,995	183,995	118,894
J.R.H. Curley	70,008	28,000	9,367	107,375	75,146
J. Billington	44,921	–	4,774	49,695	48,213
S.J. Barclay	18,000	–	–	18,000	18,000
The Rt. Hon. Sir R. Needham	12,000	–	–	12,000	–

The notice period applicable to the service contracts of each of M.J. Curley, J.R.H. Curley and J. Billington is 24 months, which the Board and the Remuneration Committee consider appropriate for the requirement of the Group. This is contrary to paragraph B.1.7 of the Combined Code, which recommends notice periods should not be in excess of 12 months. S.J. Barclay's services are provided by Clifton Financial Associates Plc. The arrangement is terminable on not less than 12 months' notice. The Rt. Hon. Sir Richard Needham's service contract can be terminated without notice.

There are no provisions in relation to any of the directors for pre-determined compensation for loss of office or other termination payments.

1999

Table of directors' emoluments

Director	1999 Salary	1999 Benefits	1999 Total	1999 Total
M.J. Curley	198,000	10,285	208,285	183,995
J.R.H. Curley	100,591	9,130	109,721	107,375
J. Billington	52,292	10,083	62,375	49,695
D.R. Pugh	20,000	3,394	23,394	–
S.J. Barclay	18,000	–	18,000	18,000
The Rt. Hon. Sir R. Needham	18,000	–	18,000	12,000

The notice period applicable to the service contracts of each of M.J. Curley, J.R.H. Curley and J. Billington is 24 months, which the Board and the Remuneration Committee consider appropriate for the requirements of the Group. This is contrary to paragraph B.1.7 of the Combined Code, which recommends notice periods should not be in excess of 12 months. The notice period of D.R. Pugh is 12 months. S.J. Barclay's services are provided by Clifton Financial Associates Plc. The arrangement is terminable on not less than 12 months' notice. The Rt. Hon. Sir Richard Needham's service contract can be terminated without notice. There are no provisions in relation to any of the directors for pre-determined compensation for loss of office or other termination payments.

2000

Table of directors' emoluments

Director	2000 Salary	2000 Benefits	2000 Total	1999 Total
M.J. Curley	204,000	13,032	217,032	208,285
J.R.H. Curley	114,000	11,563	125,563	109,721
J. Billington	52,800	12,939	65,739	62,375
D.R. Pugh	64,000	8,030	72,030	23,394
S.J. Barclay	18,000	–	18,000	18,000
The Rt. Hon. Sir R. Needham	18,000	–	18,000	18,000
P.M. Dillon	60,000	239	60,239	–

The notice period applicable to the service contracts of each of M.J. Curley, J.R.H. Curley and J. Billington, P.M. Dillon and D.R. Pugh is 24 months, which the Board and the Remuneration Committee consider appropriate for the requirements of the Group. This is contrary to paragraph B.1.7 of the Combined Code, which recommends notice periods should not be in excess of 12 months. S.J. Barclay's services are provided by Clifton Financial Associates Plc. The arrangement is terminable on not less than 12 months' notice. The Rt. Hon. Sir Richard Needham's service contract can be terminated without notice. The notice period applicable to the service contract of George Kadoke is 12 months. There are no provisions in relation to any of the directors for pre-determined compensation for loss of office or other termination payments.

Share Options

1998

Under the terms of the 1994 and 1997 Executive Share Option Scheme the Board can offer options to purchase ordinary shares in the Company to permanent full time employees, including directors, at a price not less than the higher of the nominal value and the market value of the shares. No further share options will be issued under the 1994 scheme. The performance criteria for the 1994 and 1997 Executive Share Option Scheme is based on the growth in the company's Earnings Per Share in relation to the Retail Price Index.

Options on ordinary shares have been granted to employees of the Group in respect of the 1994 and 1997 Executive Share Option Schemes as follows:

	Ordinary Shares	Exercise Period	Option price
1994 Executive Share Option Scheme	3,615,000	Dec 1997 - Dec 2001	3p
1994 Executive Share Option Scheme	1,150,000	Sept 1999 - Sept 2003	5.25p
1997 Executive Share Option Scheme	3,500,000	May 2000 - June 2003	7.5p

Included in the options granted under the 1994 and 1997 Executive Share Option Schemes are the following options held by directors.

Director	Number of Options	Option Price per Share
M.J. Curley	725,000	3p
	50,000	5.25p
	1,000,000	7.25p
J.R.H. Curley	300,000	3p
	50,000	5.25p
J. Billington	250,000	3p
	50,000	5.25p
	50,000	7.25p
S.J. Barclay	500,000	7.25p

Under the terms of the 1997 Savings Related Share Option Scheme, the Board or the Trustees of the Scheme may offer options to purchase ordinary shares in the Company to permanent full time employees, including directors, at a price not less than the higher of the nominal value and 80 per cent. of the market value of the shares. There is no performance criteria for the Savings Related Share Option Scheme.

Options on ordinary shares have been granted to employees of the Group in respect of the 1997 Savings Related Share Option Scheme as follows:

	Ordinary 1p Shares	Exercise Period	Option price per share
1997 Saving Related Share Option Scheme	2,173,604	Sept 2000 - Sept 2003	6.5p

Included in the above options are the following options held by directors:

Director	Number of Options	Option Price per Share
M.J. Curley	265,384	6.5p
J. Billington	53,076	6.5p

No options have either been exercised or lapsed during the year.

1999

Under the terms of the 1997 Executive Share Option Scheme the Board can offer options to purchase ordinary shares in the Company to permanent full time employees, including directors, at a price not less than the higher of the nominal value and the market value of the shares. The Remuneration Committee annually reviews the granting of share options in line with the limitations under the rules of the scheme. The performance criteria for the 1997 Executive Share Option Scheme is based on the growth in the Company's Earnings Per Share in relation to the Retail Price Index. All options granted under the 1994 Scheme have now either been exercised or have lapsed.

Options on ordinary shares have been granted to employees of the Group in respect of the 1997 scheme as follows:

	Number of Options	Exercise Period	Option price
1997 Executive Share Option Scheme	875,000	May 2000 - June 2003	29p
1997 Executive Share Option Scheme	790,000	April 2002 - April 2006	91p

During the year to 31 December 1999, the following options under the 1994 scheme have either lapsed or been exercised:

Number of Options Lapsed	Date of Exercise	Number of Options Exercised	Option Price	Middle Market Price at Date of Exercise
–	20 September 1999	903,750	12p	122p
62,500	20 Sepember 1999	225,000	21p	122p

Included in the options granted under the 1997 Executive Share Option Schemes are the following options held by directors:

Executive Share Options

Director	Number of Options	Option Price
M.J. Curley	250,000	29p
J. Billington	12,500	29p
S.J. Barclay	125,000	29p
D.R. Pugh	125,000*	91p
The Rt. Hon. Sir R. Needham	125,000*	91p

* These were the only options granted to directors during the year.

During the year to 31 December 1999, the directors exercised the following options under the 1994 Executive Share Option Scheme, making an aggregate gain of £387,950:

Director	Date of Exercise	Number of Options	Option Price	Middle Market Price at Date of Exercise
M.J. Curley	20 September 1999	181,250	12p	122p
		12,500	21p	
J.R.H. Curley	20 September 1999	75,000	12p	122p
		12,500	21p	
J. Billington	20 September 1999	62,000	12p	122p
		12,500	21p	

None of the directors' share options lapsed during the year.

2000

Under the terms of the 1997 Executive Share Option Scheme the Board can offer options to purchase ordinary shares in the Company to permanent full-time employees, including directors, at a price not less than the higher of the nominal value and the market value of the shares. The Remuneration Committee annually review the granting of share options in line with the limitations under the rules of the scheme. The performance criteria for the 1997 Executive Share Option Scheme is based on the growth in the Company's Earnings per Share in relation to the Retail Price Index.

Options on ordinary shares have been granted to employees of the Group in respect of the 1997 scheme as follows:

	Number of Options	Exercise Period	Option price
1997 Executive Share Option Scheme	875,000	May 2000 - June 2004	29p
1997 Executive Share Option Scheme	790,000	April 2002 - April 2006	91p

During the year to 31 December 2000, the following options under the 1997 scheme have either lapsed or been exercised:

Number of Options Lapsed	Date of Exercise	Number of Options Exercised	Option Price	Middle Market Price at Date of Exercise
–	23 June 2000	87,500	29p	134p
125,000	30 September 2000	–	29p	n/a
20,000	31 December 2000	–	29p	n/a

Included in the options granted under the 1997 Executive Share Option Schemes are the following options held by directors:

Director	Number of Options	Option Price
M.J. Curley	250,000	29p
J. Billington	12,500	29p
S.J. Barclay	125,000	29p
P.M. Dillon	62,500	29p
D.R. Pugh	125,000	91p
The Rt. Hon. Sir R. Needham	125,000	91p

None of the directors' share options have either been exercised or lapsed during the year.

Savings Related Share Options

Under the terms of the 1997 Savings Related Share Option Scheme, the Board or the Trustees of the Scheme may offer options to purchase ordinary shares in the Company to permanent full-time employees, including directors, at a price not less than the higher of the nominal value and 80% of the market value of the shares. There is no performance criteria for the Savings Related Share Option Scheme.

Options on ordinary shares have been granted to employees of the Group in respect of the scheme as follows:

	Number of Options	Exercise Period	Option price
1997 Savings Related Share Option Scheme	514,493	Sept 2000-Sept 2003	26p

Options on 28,908 shares in the scheme have lapsed during the year.

Included in the above options are the following options held by directors:

Director	Number of Options	Option Price
M.J. Curley	66,346	26p
J. Billington	12,269	26p

None of the directors' options in the scheme have lapsed during the year.

Savings Related Share Options

Under the terms of the 1997 Savings Related Share Option Scheme, the Board or the Trustees of the Scheme may offer options to purchase ordinary shares in the Company to permanent full-time employees, including directors, at a price not less than the higher of the nominal value and 80% of the market value of the shares. There is no performance criteria for the Savings Related Share Option Scheme.

Options on ordinary shares have been granted to employees of the Group in respect of the scheme as follows:

	Number of Options	Exercise Period	Option price
1997 Savings Related Share Option Scheme	*485,585*	*Sept 2000-Sept 2002*	*26p*

Included in the above options are the following options held by directors:

Director	Number of Options	Option Price
M.J. Curley	66,346	26p
J. Billington	12,269	26p

None of the directors' options in the scheme have lapsed during the year.

During the year to 31 December 2000, the following options under the Savings Related Share Option Scheme have either lapsed or been exercised:

Number of Options Lapsed	Date of Exercise	Number of Options Exercised	Option Price	Middle Market Price at Date of Exercise
–	9 February 2000	2,491	26p	107p
13,254	1 September 2000	213,750	26p	163p

The market price of the Company's shares at 31 December 2000 was 125p. During the year under review the lowest price was 100p and the highest price was 164.5p.

Creditor payment policy

The Group does not maintain any established code or standard for the payment of trade creditors. It is the Groups policy to settle the terms of payment with suppliers when agreeing the terms of each transaction, and the Group abides by these terms of payment. The number of days trade creditors outstanding at the year end for the Group was: 2000 - 60; 1999 - 61; 1998 - 61.

4. Employee information

	2000 £'000	1999 £'000	1998 £'000
Employment costs, including the directors, during the year amounted to:			
Wages and salaries	20,193	14,524	7,617
Social security costs	2,092	1,747	773
Pension costs	119	65	48
	22,404	16,336	8,438

	Number	Number	Number
The average number of employees, including the directors, during the year was:			
Administration	135	95	66
Installation and production	539	425	227
Selling and design	261	184	115
	935	704	408

5. Other interest receivable and similar income

	£'000	£'000	£'000
Bank interest receivable	100	2	180

6. Interest payable and similar charges

Bank loans and overdrafts	1,134	629	639
Hire purchase and finance lease interest	139	152	129
	1,273	781	768

7. Taxation

United Kingdom corporation tax:			
On profits for the year	561	895	691
Adjustments in respect of previous periods	116	112	17
	677	1,007	708
Overseas taxation:			
On profits for the year net of double taxation relief	664	43	–
Transfer to deferred taxation	230	259	93
	1,571	1,309	801

8. Dividends

	2000 £'000	1999 £'000	1998 £'000
Equity interests:			
Interim dividend paid	263	236	182
Final dividend proposed	694	650	363
	957	886	545

9. Earnings per share

	2000 Pence Per share	2000 Profit £'000	2000 Number of shares	1999 Pence per share	1999 Profit £000	1999 Number of shares	1998 Pence per share	1998 Profit £'000	1998 Number of shares
Earnings per share is calculated as follows:									
Net profit for the year		3,488			2,890			1,776	
Weighted average number of shares			*59,362,357*			*55,192,398*			*48,350,248*
Basic earnings per share	5.88p			5.24p			3.67p		
Number of shares under option			2,068,131			2,202,811			1,550,246
Number of shares that would be issued at fair value			(223,356)			(403,573)			(512,073)
Diluted earnings per share	5.70p	3,488	61,207,132	5.07p	2,890	56,991,636	3.60p	1,776	49,388,421

The weighted average number of shares figures have been adjusted for both the consolidation of one ordinary share for every four held and the bonus element of the rights issue during 1999.

10. Intangible fixed assets

	2000 £'000
Goodwill	
Cost and net book value:	
At 1 January 1998	–
Additions on acquisitions during the year	2,909
Amortised during the year	(90)
At 1 January 1999	2,819
Additions on acquisitions during the year	3,820
At 1 January 2000	6,639
Additions on acquisitions during the year	11,493
At 31 December 2000	18,132

11. Tangible fixed assets

Group	Freehold land & buildings £'000	Assets in course of construction £'000	Long leasehold buildings £'000	Short leasehold buildings £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 31.12.1998	2,092	–	739	764	5,915	1,802	11,312
Exchange rate Adjustment	(1)	–	–	–	(90)	(1)	(92)
Additions	3,811	–	54	91	5,975	1,320	11,251
Disposals	–	–	–	–	(155)	(423)	(578)
At 31.12.1999	5,902	–	793	855	11,645	2,698	21,725
Restatement to cost	–	–	–	(168)	57	(57)	(168)
At 1.1.2000 as restated	5,902	–	793	687	11,702	2,641	21,725
Exchange rate adjustment	87	–	17	–	108	9	221
Acquisitions	–	–	60	191	1,596	451	2,298
Additions	253	2,317	103	25	3,223	329	6,250
Disposals	(435)	–	–	–	(497)	(288)	(1,220)
At 31.12.2000	5,807	2,317	973	903	16,132	3,142	29,274
Depreciation							
At 31.12.1998	15	–	104	285	2,595	854	3,853
Exchange rate adjustment	–	–	–	–	(70)	(1)	(71)
Acquisitions	374	–	54	–	1,594	174	2,196
Charge for the year	90	–	12	65	985	498	1,650
Disposals	–	–	–	–	(45)	(252)	(297)
At 31.12.1999	479	–	170	350	5,059	1,273	7,331
Restatement to cost	–	–	–	(136)	30	(30)	(136)
At 1.1.2000 as restated	479	–	170	214	5,089	1,243	7,195
Exchange rate adjustment	19	–	9	–	42	7	77
Acquisitions	–	–	24	30	937	271	1,262
Charge for the year	106	–	26	96	1,866	607	2,701
Disposals	–	–	–	–	(235)	(226)	(461)
At 31.12.2000	604	–	229	340	7,699	1,902	10,774
Net book value							
At 31.12.2000	5,203	2,317	744	563	8,433	1,240	18,500
At 31.12.1999 as restated	5,423	–	623	473	6,613	1,398	14,530

Included within the above for the Group is £2,337,000 (1999 : £1,372,000; 1998 : £124,000) of land which is not depreciated.

Included in fixed assets are the following amounts in respect of assets held under finance lease or hire purchase contracts:

	2000 £'000	1999 £'000	1998 £'000
Net book value			
Plant, fixtures and equipment	845	929	691
Motor vehicles	670	1,050	824
	1,515	1,979	1,515

12. Capital Commitments

	2000 £'000	1999 £'000	1998 £'000
At 31 December, the Group was committed to make payments during the following year for the purchase of fixed assets as follows:			
Contracted for	6,721	–	76

13. Investments

	Listed £'000	Unlisted £'000	Own Shares £'000	Group and Company Total
Cost				
At 1 January 1998 and 1 January 1999	12	–	–	12
Additions in year	2	25	130	157
At 1 January 2000	14	25	130	169
Disposals	–	(25)	(55)	(80)
At 31 December 2000	14	–	75	89
Provision for diminution in value				
At 1 January 1999	1	–	–	1
Provision in the year	11	–	–	11
At 1 January 2000 and 31 December 2000	12	–	–	12
Net book value				
At 31 December 2000	2	–	75	77
At 31 December 1999	2	25	130	157
At 31 December 1998	11	–	–	11

The market value of listed investments in 2000 and 1999 were not materially different from the amounts stated in the accounts (1998 : £6,000).

The investment in own shares comprises ordinary shares set aside in respect of the Qualifying Employee Share Ownership Trust.

14. Investment in Associate

	£'000
Cost	
Represented by:	
Share of net assets acquired	(17)
Goodwill	348
At 1 January 1998, 31 December 1998, 31 December 1999 and 31 December 2000	331

The participating interest represents 33% of the equity share capital of MICE Kraftwork L.L.C., a company registered in Dubai, which was acquired on 31 August 1997. The company's business encompasses interior fit-out work primarily in the retail, banking, office, residential and hotel sectors. The audited financial statements for the year ended 31 December 2000 of MICE Kraftwork L.L.C. have not been incorporated into the Group accounts, as they are not material to the results of the Group. The pre and post tax profit of MICE Kraftwork L.L.C. for the year ended 31 December 2000 was £255,000 (1999 : loss of £134,000; 1998 : Profit of £17,000). At 31 December 2000 MICE Kraftwork L.L.C. had net assets of £252,000 (31 December 1999 : net liabilities of £16,000; 31 December 1998 : net assets of £118,000). The Group's share of pre and post tax profit and net assets are 33% of the above amounts.

15. Stocks and Work in Progress

	2000 £'000	1999 £'000	1998 £'000
Raw materials and consumables	1,942	1,528	865
Work in progress	824	1,062	950
Finished goods and goods for resale	180	93	255
	2,946	2,683	2,070
Long term contract balances:			
Net cost	5,146	2,181	211
Payments on account	(2,264)	–	(52)
	2,882	2,181	159
	5,828	4,864	2,229

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16(a). Debtors

	2000 £'000	1999 £'000	1998 £'000
Amounts falling due within one year:			
Trade debtors	16,519	11,772	6,623
Amounts recoverable on long term contracts	2,489	4,180	771
Other debtors	118	202	127
ACT recoverable	–	–	145
Prepayments and accrued income	830	940	367
	19,956	17,094	8,033
Amounts falling due after more than one year	–	–	12
Prepayments - accrued income	19,956	17,094	8,045

16(b). Current assets investments

	Unlisted: £'000
At 1 January 1998	50
Disposals	(50)
At 31 December 1998	–
At 31 December 1999	–
At 31 December 2000	–

17. Creditors

Amounts falling due within one year:

Bank overdrafts and loans	5,689	2,291	1571
Trade creditors	12,290	11,893	6,692
Amounts owed to participating interests	6	47	43
Corporation tax	1,036	464	683
Other taxation and social security costs	1,525	877	687
Hire purchase and finance lease obligations	710	816	640
Deferred consideration	350	513	–
Payment on account	–	–	759
Other creditors	–	265	246
Accruals and deferred income	2,555	2,391	835
Proposed dividend	694	650	363
	24,855	20,207	12,519

18. Creditors

	2000 £'000	1999 £'000	1998 £'000
Amounts falling due after more than one year:			
Bank loans	9,810	8,294	2,874
Loan notes	7,431	–	–
Hire purchase and finance lease obligations	420	540	516
Deferred consideration	100	400	200
	17,761	9,234	3,590
Included in the above are the following amounts repayable by instalments:			
Bank loans:			
Repayable between one and two years	462	670	485
Repayable between two and five years	1,539	1,084	1,208
Repayable after more than five years	809	1,540	1,181
	2,810	3,294	2,874
Bank loan and loan notes repayable in 2005 other than by instalments:			
Revolving credit facility	7,000	5,000	–
Loan notes	7,431	–	–
	17,241	8,294	2,874
Hire purchase and finance leases obligations:			
Repayable between one and two years	341	368	324
Repayable between two and five years	79	172	192
	420	540	516

Included in the above are the following amounts in respect of the deferred consideration not repayable by instalments:

	2000 £'000	1999 £'000	1998 £'000
Deferred consideration:			
Repayable between one and two years	100	300	200
Repayable between two and five years	–	100	–
	100	400	200

The bank overdrafts and loans are secured by fixed charges over five of the freehold and five of the leasehold properties of the Group and by fixed and floating charges over the other assets of the Group.

19. *Provisions for Liabilities and Charges*

	2000 £'000	1999 £'000	1998 £'000
Deferred taxation:			
The provision and full potential liability in these *financial statements comprises:*			
Accelerated capital allowances	897	667	251
Movements in the provision for deferred taxation are:			
At 1 January	667	251	90
Transferred from profit and loss account	230	259	93
Transferred from acquisitions	–	157	68
At 31 December	897	667	251

20. Share capital

	Group and Company			
	Authorised		Allotted and Fully Paid	
	Number	£'000	Number	£'000
Ordinary shares at 4p each:				
At 1 January 1999 (as restated)	75,000,000	3,000	45,434,956	1,817
Increase in authorised share capital	6,250,000	250	–	–
Rights issue of 3 for 11	–	–	12,391,351	496
Consideration for acquisitions	–	–	135,258	5
Shares issued to QUEST	–	–	500,000	20
Share options exercised	–	–	1,128,750	45
At 31 December 1999	81,250,000	3,250	59,590,315	2,383
Increase in authorised share capital	18,750,000	750	–	–
Consideration for acquisitions	–	–	444,325	18
Issue to employees	–	–	16,260	1
Share options exercised	–	–	87,500	4
At 31 December 2000	100,000,000	4,000	60,138,400	2,406

Following the passing of ordinary resolutions at an Extraordinary General Meeting on 6 April 1999, with effect from 7 April 1999 the Company's authorised share capital was increased to £3,250,000 and the ordinary shares of 1p each were consolidated into ordinary shares of 4p each. The comparative figures have been restated to take account of this consolidation.

Simultaneously, a rights issue of 3 for every 11 ordinary 4p shares was approved and this offer was fully subscribed. Consequently, 12,391,351 ordinary shares of 4p each were issued on 28 April 1999 at 80p each.

The Company issued 90,681 ordinary shares of 4p each on 4 June 1999, at a value of 104p each, in part consideration for the acquisition of Hartingdon Limited.

The Company issued 44,577 ordinary shares of 4p each on 9 September 1999, at a value of 112p each, in part consideration for the acquisition of the assets from Image Contract Services.

On 1 November 1999 MICE Group Quest Trustees Limited (QUEST), a wholly owned subsidiary, was established for the purpose of distributing ordinary shares in the Company upon the exercise of options granted under the 1997 Savings Related Share Option Scheme. 500,000 ordinary shares of 4p each in the Company have been issued to the QUEST at a market price of 112p, all rights to dividends on these shares have been waived. The Company therefore has an investment of £130,000 in its own shares (note 14) representing 500,000 ordinary shares at the option price of 26p per share. The 86p per share difference between the option price and the market price at issue amounts to £430,000 and has been charged to profit and loss account reserves net of tax relief of £128,000 (note 24).

The company issued 31,325 ordinary shares of 4p each on 9 February 2000, at a value of 122p, in part consideration for the acquisition of minority interests in L.C. Visual Marketing Limited.

The company issued 413,000 ordinary shares of 4p each on 14 September 2000, at a value of 153p, in part consideration for the acquisition of Opus Creative Marketing Limited.

Directors and their interests in Shares

The interests of the directors in the ordinary share capital of the Company at 31 December 1998, 31 December 1999 and 31 December 2000 were as follows:

Director	2000	1999 (or at appointment)	1998 (or at appointment)
M.J. Curley	7,376,583	8,376,583	9,614,835
J.R.H. Curley	5,554,023	6,554,023	6,629,024
J. Billington	387,302	387,302	387,302
D.R. Pugh	–	–	–
S.J. Barclay	95,454	95,454	75,000
The Rt Hon Sir R. Needham	17,500	17,500	13,750
P.M. Dillon	333,369	333,369	–

1998

The Rt. Hon. Sir Richard Needham was appointed as a director on 26 May 1998 to fill a casual vacancy.

The interest of M.J. Curley and J.R.H. Curley both include a holding of 16,561,181 ordinary shares held by M.J. Curley and A.J. Coombe as trustees of the Curley Family Settlement, of which J.R.H. Curley is a beneficiary. M.J. Curley, as trustee has a non-beneficial interest in these shares. All other interests in the shares are beneficial.

1999

David R. Pugh was appointed as a director on 1 September 1999.

The interests of M.J. Curley and J.R.H. Curley both include a holding of 4,140,295 ordinary shares held by M.J. Curley and A.J. Coombe as trustees of the Curley Family Settlement, of which J.R.H. Curley is beneficiary. M.J. Curley, as trustee, has a non-beneficial interest in these shares. All other interests in the shares are beneficial.

2000

Peter M. Dillon was appointed as a director on 1 July 2000.

George Kadoke was appointed as non-executive director on 14 February 2001.

The total holding of the directors in the ordinary share capital of the Company at 31 December 2000 was 10,623,936 (18%).

The interests of M.J. Curley and J.R.H. Curley both include a holding of 3,140,295 ordinary shares held by M.J. Curley and A.J. Coombe as trustees of the Curley Family Settlement, of which J.R.H. Curley is a beneficiary. M.J. Curley, as trustee, has a non-beneficial interest in these shares. The interests of P.M. Dillon are held by a family trust of which he is a possible beneficiary. All other interests in the shares are beneficial.

21. Unissued shares

	£'000
Deferred consideration at 1 January 1999 and 2000	800
Deferred consideration for acquisitions	500
Deferred consideration at 31 December 2000	1,300

The above amount represents deferred consideration for acquisitions by way of Ordinary Shares. In addition, the Group enters into arrangements which provide for the minority shareholders of subsidiary undertakings to sell their remaining shares to the Group, where the amount of share consideration is dependent upon the performance of the relevant *subsidiary. The amount of future share consideration, which can be estimated with reasonable certainty is £2,825,000.*

22. Reserves

	Share premium £'000	Revaluation reserve £'000	Profit & Loss account £'000	Minority interest £'000
At 1 January 1998	1,579	36	1,027	–
Premium of share issue	476	–	–	–
Cost of share issue	–	–	–	–
Transfer to profit and loss account	–	(2)	2	–
Retained profit for the financial year	–	–	1,231	–
Currency translation differences	–	–	10	–
At 1 January 1999	2,055	34	2,270	–
Retained profit for the financial year	–	–	2,004	16
Currency translation differences	–	–	(28)	–
Transfer relating to the issue of shares to QUEST (note 22)	–	–	(302)	–
Transfer between reserves	–	(2)	2	–
Premium on rights issue	9,417	–	–	–
Premium on issues for acquisitions	139	–	–	–
Premium on shares issued to QUEST	540	–	–	–
Premium on share options exercised	111	–	–	–
Expenses of share issue	(750)	–	–	–
Acquired on acquisitions	–	–	–	76
At 1 January 2000 as previously reported	11,512	32	3,946	92
Reinstatement of short leasehold at cost	–	(32)	–	–
At 1 January 2000 as restated	11,512	–	3,946	92
Retained profit for the financial year	–	–	2,531	(2)
Currency translation differences	–	–	88	–
Minority interest movement	–	–	–	211
Premium on issues for acquisitions	650	–	–	–
Premium on issue to employees	19	–	–	–
Premium on share options exercised	22	–	–	–
At 31 December 2000	12,203	–	6,565	301

23. Reconciliation of movements in shareholders funds

	2000 £'000	1999 £'000	1998 £'000
Profit for the financial year	3,488	2,890	1,776
Dividends	(957)	(886)	(545)
Currency translation differences on foreign currency net investments	88	(28)	10
Issue of share capital	714	10,023	500
Unissued shares	500	–	800
Transfer relating to the issue of shares to QUEST	–	(302)	–
Net addition to shareholder's funds	3,833	11,697	2,541
Restatement of short leasehold at cost	–	(32)	–
Shareholder's funds at 1 January	18,641	6,976	4,435
Shareholder's funds at 31 December	22,474	18,641	6,976

24. Operating lease obligations

At 31 December, the Group was committed to make payments during the following year under non-cancellable operating leases as follows:

	Land & buildings			Others		
	2000 £'000	1999 £'000	1998 £'000	2000 £'000	1999 £'000	1998 £'000
Operating leases expiring:						
Within one year	84	77	–	30	27	–
Between one and two years	85	123	–	142	145	13
Between two and five years	209	61	6	90	23	78
After more than five years	477	422	421	–	–	–
	855	683	427	262	195	91

25. Related party transactions

1998

During the year the Group expended £46,000 with Clifton Financial Associates Plc, a subsidiary of Talisman House Plc, a company in which a director, S.J. Barclay, has a material interest, in respect of financial advisory services and the provision of S.J. Barclay's services as a director. At 31 December 1998, £41,000 was owed to Clifton Financial Associates Plc.

The Group made, in the normal course of business, purchases of £636,000 from Mivan Limited, of which £609,000 was unpaid at 31 December 1998. The Group also made, in the normal course of business, sales of £41,000 to Dyson Appliances Limited, of which £4,000 was unpaid at 31 December 1998. The Rt. Hon. Sir R. Needham is a director of these companies.

The Group made in the normal course of business purchases of £228,000 from MICE Kraftwork L.L.C., a company in which the company owns 33% of the issued share capital. At 31 December 1998, the Group owed MICE Kraftwork L.L.C. £43,000.

1999

During the year, the Group expended £142,000 with Clifton Financial Associates Plc, a subsidiary of Talisman House Plc, in respect of financial advisory services and the provision of S. J. Barclay's services as a director. At 31 December 1999 £23,000 was owed to Clifton Financial Associates Plc. S. J. Barclay is a director of these companies.

The Group made, in the normal course of business, purchases of £342,000 from Mivan Limited, of which £36,000 was unpaid at 31 December 1999, purchases of £6,000 from Richard Needham Consultancy Limited, of which none was unpaid at 31 December 1999, and sales of £361,000 to Dyson Appliances Limited, of which £3,000 was unpaid at 31 December 1999. The Rt. Hon. Sir R. Needham is a director of these companies.

The Group made in the normal course of business, purchases of £127,000 from MICE Kraftwork L.L.C., a company in which the company owns 33% of the issued share capital. At 31 December 1999 the Group owed MICE Kraftwork L.L.C. £47,000.

2000

During 2000, the Group expended £40,000 with Clifton Financial Associates Plc, of which S. J. Barclay is a director, in respect of financial advisory services and the provision of S. J. Barclay's services as a director. At 31 December 2000 £12,000 was owed to Clifton Financial Associates Plc.

The Group made, in the normal course of business, purchases of £9,000 from Richard Needham Consultancy Limited, none of which was unpaid at 31 December 2000. The Group also made, in the normal course of business, sales of £265,000 to Dyson Appliances Limited, of which £11,000 was unpaid at 31 December 2000. The Rt. Hon. Sir R. Needham is a director of these companies.

Purchases of £59,000 were made from Catthorpe Communications, none of which was unpaid at 31 December 2000. M. J. Curley's wife is the sole proprietor of this business.

£99,000 was expended with Broomfield Consultants, none of which was unpaid at 31 December 2000, of which P.M. Dillon is the senior partner.

The Group made in the normal course of business, purchases of £71,000 from MICE Kraftwork L.L.C, a company in which the Company owns 33% of the issued share capital. At 31 December 2000 the Group owed MICE Kraftwork L.L.C. £6,000.

26. Reconciliation of operating profit to net cash flow from operating activities

	2000 £'000	1999 £'000	1998 £'000
Operating profit	6,230	4,994	3,146
Depreciation of tangible fixed assets	2,701	1,650	910
Amortisation of goodwill	–	–	90
Loss/(profit) on disposal of tangible fixed assets	33	(23)	12
(Increase) in stocks	(241)	(1,392)	(84)
Decrease/(increase) in debtors	332	(6,400)	(2,409)
(Decrease)/increase in creditors	(3,987)	1,096	1,993
Net cash inflow/(outflow) from operating activities	5,068	(75)	3,658

27. Analysis of cash flows for headings netted in the cash flow statement

	2000 £'000	1999 £'000	1998 £'000
a) Returns on investments and servicing of finance			
Interest received	100	2	180
Interest paid	(1,060)	(532)	(639)
Interest paid on hire purchase and finance lease contracts	(139)	(152)	(129)
Net cash outflow for returns on investments and servicing of finance	(1,099)	(682)	(588)
b) Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(6,086)	(5,027)	(2,725)
Payments to acquire fixed asset investments	–	(24)	128
Receipts from sales of tangible fixed assets	806	315	50
Net cash outflow for capital expenditure and financial investment	(5,280)	(4,736)	(2,547)
c) Acquisitions			
Cash consideration	(4,146)	(4,172)	(3,406)
Cash and overdrafts acquired	1,370	(272)	(613)
	(2,776)	(4,444)	(4,019)
d) Management of liquid resources			
Movement in bank balances restricted by bank guarantees	–	–	521
Movement in bank time deposits	–	1,531	(1,371)
Net cash inflow from management of liquid resources	–	1,531	(850)
e) Financing			
Issue of ordinary share capital	46	10,069	–
Expenses of share issue	–	(750)	–
	46	9,319	–
New bank loans	3,890	5,000	2,802
Repayment of bank loans	(888)	(717)	(161)
Inception of hire purchase and finance lease obligations	618	1,110	1,049
Repayment of hire purchase and finance lease obligations	(1,119)	(1,018)	(410)
	2,501	4,375	3,280
Net cash inflow from financing	2,547	13,694	3,280

28. Analysis of changes in net debt

	AS AT 1 JANUARY £'000	ACQUISITIONS £'000	CASH FLOWS £'000	OTHER CHANGES £'000	EXCHANGE MOVEMENT £'000	AS AT 31 DECEMBER £'000
2000						
Cash at bank and in hand	5,226	–	(1,786)	–	24	3,464
Bank overdrafts	(1,761)	–	(1,828)	–	–	(3,589)
	3,465	–	(3,614)	–	24	(125)
Debt due within one year	(1,346)	(247)	–	(1,217)	–	(2,810)
Debt due after more than one year	(8,834)	(50)	(2,501)	1,217	(62)	(10,230)
	(10,180)	(297)	(2,501)	–	(62)	(13,040)
	(6,715)	(297)	(6,115)	–	(38)	(13,165)
1999						
Cash at bank and in hand	2,442	–	2,868	-	(84)	5,226
Less deposits treated as liquid resources	(1,531)	–	1,531	–	–	–
	911	–	4,399	–	(84)	5,226
Bank overdrafts	(1,139)	–	(622)	–	–	(1,761)
	(228)	–	3,777	–	(84)	3,465
Debt due within one year	(1,072)	(582)	1,413	(1,105)	–	(1,346)
Debt due after more than one year	(3,390)	(765)	(5,788)	1,105	4	(8,834)
	(4,462)	(1,347)	(4,375)	–	4	(10,180)
	(4,690)	(1,347)	(598)	–	(80)	(6,715)
1998						
Cash at bank and in hand	2,745	–	(303)	–	–	2,442
Less: deposits treated as liquid resources	(681)	–	(850)	–	–	(1,531)
	2,064	–	(1,153)	–	–	911
Bank overdrafts	(131)	–	(1,008)	–	–	(1,139)
	1,933	–	2,161	–	–	(228)
Debt due within one year	(470)	(136)	(399)	(67)	–	(1,072)
Debt due after one year	(712)	(330)	(2,415)	67	–	(3,390)
	(1,182)	(466)	(2,814)	–	–	(4,462)
	751	(466)	(4,975)	–	–	(4,690)

29. Derivatives and Other Financial Instruments

The directors consider that it is in the best interest of the Group to reduce treasury risks to a minimum. The Group is exposed to market risks arising from its international operations, and it has well defined and consistently applied policies to minimise these risks.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review these risks and their policies for managing these risks on a regular basis.

The Group's financial instruments comprise borrowings, cash, liquid resources and various other items such as trade debtors and trade creditors that arise directly from its operations. Where appropriate, forward exchange contracts are used to hedge transactions that are not denominated in a subsidiary undertakings functional currency.

The Group's policy is to control credit risk by only entering into financial instruments with authorised counterparties after taking account of their credit rating.

The Group does not trade in financial instruments and no speculative transactions are undertaken.

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank and other borrowings. The Group's current policy is to borrow at floating rates of interest.

The interest rate profile of the financial liabilities, excluding short term creditors, of the Group as at 31 December, 1999 and 2000 was as follows:

	Fixed Rate 1999 £'000	Floating Rate 1999 £'000	Interest Free 1999 £'000	Total 1999 £'000
Sterling	1,147	8,012	913	10,072
Other currencies	524	902	–	1,426
Total	1,671	8,914	913	11,498

The interest free financial liabilities comprise:

- Deferred consideration that matures between 13 months and 28 months.

The fixed rate financial liabilities comprise:

- Canadian Dollar denominated bank loans that bear interest at a rate of 6.62%, which is fixed for 36 months.
- Sterling denominated bank loans that bear interest at a rate of 8.95%, which is fixed for 45 months.

The floating rate financial assets and liabilities bear interest by reference to short term benchmark rates applicable in the relevant currency, such as LIBOR.

The interest rate profile of the financial assets, excluding short term debtors, of the Group as at 31 December 1999 was as follows:

	Floating Rate 1999 £'000
Sterling	3,826
Euro	735
Deutsche Mark	526
Other currencies	166
Total	5,253

2000

	Fixed Rate 2000 £'000	Floating Rate 2000 £'000	Interest Free 2000 £'000	Total 2000 £'000
Sterling	1,099	10,951	7,881	19,931
Other currencies	–	1,384	–	1,384
Total	1,099	12,335	7,881	21,315

The interest free financial liabilities comprise deferred consideration that matures between 1 month and 48 months.

The fixed rate financial liabilities comprise sterling denominated bank loans that bear interest at a rate of 8.95%, which is fixed for 36 months.

The floating rate financial assets and liabilities bear interest by reference to short term benchmark rates applicable in the relevant currency, such as LIBOR.

The interest rate profile of the financial assets, excluding short term debtors, of the Group as at 31 December 2000 was as follows:

	Floating Rate 2000 £'000
Sterling	1,829
Euro	3,720
Canadian Dollar	896
Other currencies	274
Total	6,719

Liquidity risk

The Group's policy is to maintain a balance between continuity of funding and flexibility through the use of cost effective borrowings with a range of maturities. The overall policy is to arrange committed facilities for net borrowing needs, *supplemented where appropriate by overdraft facilities. Consequently, during the year, a revolving credit facility of* £15 million (1999 : £8 million) and property financing facilities of £8.4 million have been arranged. Loan facilities of £2.45 million arranged in previous years remain in place, whilst borrowings in companies acquired during the year are continuing under their original terms. The Group's overdraft facilities at 31 December 2000 were £11.9 million (1999 : £7.6 million).

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities is shown within notes 17 and 18.

Foreign currency risk

The Group operates in markets throughout the world. Its policy is to, wherever possible, source materials and services in the currency and location of projects. At 31 December 1998, 1999 and 2000 unrecognised gains and losses on forward exchange contracts taken out as hedges of sales transactions were not significant.

30. Contingent Liabilities

The Company and certain of its subsidiary undertakings have debenture and composite arrangements in connection with banking facilities totalling £6,000,000. (1999 : £6,000,000; 1998 : £4,150,000).

At 31 December 1999 the Company may become liable for hire purchase liabilities of its subsidiaries of £365,000 (1998 : £78,000).

Certain subsidiary undertakings have counter-indemnity facilities with its bankers totalling £6,000,000 (1999 : £3,500,000; 1998 : £4,150,000) *in respect of performance bonds and guarantees issued by them, for which its bankers* have recourse to a third party for a proportion of this amount.

The Company acts as guarantor or surety for various subsidiary undertakings in leasing, banking and other agreements entered into by them in the normal course of business.

At 31 December 1999, the Company was taking legal action against the vendors of Hartingdon Limited, a company acquired during the year, in respect of actions taken by the vendors that were against the provisions contained within the purchase of business agreement. The Company's legal advisors are of the opinion that the Company will be successful in *its action.*

31. Acquisitions

1998	Show Support Limited Net book value £'000	Show Support Limited Fair value £'000	Other Acquisitions Net book value £'000	Other Acquisitions Fair value £'000	Total Fair value £'000
(a) Net book and fair value of assets					
Fixed assets	229	229	2,313	2,313	2,612
Stocks and work in progress	–	–	181	181	181
Debtors	19	19	881	881	900
Creditors	(1)	(1)	(995)	(995)	(996)
Cash, bank overdrafts and loans	–	–	(613)	(613)	(613)
Deferred taxation	–	–	–	(68)	(68)
Minority interest	–	–	(19)	(19)	(19)
	317	317	1,748	1,680	1,997
Goodwill		1,523		1,386	2,909
Payments to acquire subsidiary undertakings		1,840		3,066	4,906
Satisfied by:					
Cash		540		2,866	3,406
Issue of shares		500		–	500
Deferred cash consideration		–		200	200
Unissued shares for deferred consideration		800		–	800
		1,840		3,066	4,906

The three non-cash elements of the consideration listed above represent major non-cash transactions.

(b) Substantial acquisition

The acquisition of Show Support Limited on the 1 May 1998, is deemed to be a substantial acquisition for the Group as its profit for the financial period immediately prior to its acquisition was in excess of 15 per cent. of the Group's profit. Its profit and loss account for the period immediately prior to its acquisition by the Group and its preceding year were as follows:

	7 months to 30 April 1998 £'000	Year to 30 September 1997 £'000
Turnover	644	711
Cost of sales	205	207
Gross profit	439	504
Administrative expenses	189	235
Operating profit	250	269
Other interest receivable and similar income	3	1
	253	270
Other interest payable and similar charges	2	3
Profit before taxation	251	267

Show Support was trading as partnership immediately prior to its acquisition by the Group, and therefore there was no provision for taxation within its financial statements.

1999	Net book & fair value £'000
Net book value and fair value of assets on acquisition	
Tangible fixed assets	3,986
Stocks and work in progress	1,313
Debtors	2,892
Creditors	(4,929)
Cash and overdrafts	(272)
Bank loans	(1,239)
Hire purchase and finance lease obligations	(108)
Deferred taxation	(157)
Minority interest	(76)
	1,410
Goodwill	3,820
Consideration for acquisitions	5,230
Satisfied by:	
Issue of shares	144
Deferred cash consideration	914
Cash	4,172
	5,230

All acquisitions have been accounted for using the acquisition method.

Acquisitions

The following acquisitions were made during the year:

January	J R Taylor Limited, Wigan
January	Apfelstedt & Hornung GmbH, Germany
January	Marler Haley Ltd, St. Neots
April	Domino Promotions Ltd, Basildon
April	L.C. Visual Marketing Ltd., Leicester
May	Hartingdon Ltd., Northampton
June	Kadoke Display Ltd., Canada
June	Kadoke Exhibition Services, Canada
June	Kadoke Displays Deutschland GmbH, Germany
August	Image Contract Services, St. Neots
November	Ward Design Studio Ltd., Sudbury

2000

	Net book & fair value £'000
Net book value and fair value of assets on acquisition	
Tangible fixed assets	1,036
Stocks and work in progress	723
Debtors	3,194
Creditors	(4,563)
Cash and overdrafts	1,370
Bank loans	(25)
Hire purchase and finance lease obligations	(272)
Minority interests	(211)
	1,252
Goodwill	11,493
Consideration for acquisitions	12,745
Satisfied by:	
Cash	4,146
Loan notes (issued at par)	7,431
Issue of shares	668
Deferred cash consideration	500
	12,745

All acquisitions have been accounted for using the acquisition method. The fair values are provisions figures being the best estimates currently available, further adjustments to goodwill may be necessary.

PART III

FINANCIAL INFORMATION RELATING TO EXPOCENTRIC

The financial information detailed in this Part III is set out in two parts as follows:

Section A unaudited interim results for Expocentric for the nine months ended 30 September 2001; and

Section B extracts from the audited accounts for Expocentric for the three years ended 31 December 2000.

Section A Unaudited interim accounts for Expocentric for the nine months ended 30 September 2001

The following is the full text of the interim statement for the nine months ended 30 September 2001 published on 20 December 2001.

"Dear Shareholder

Introduction

This quarterly report updates our shareholders on our recent performance.

Financial Results

The results for the nine months ended 30 September 2001 include turnover of £360,000 compared with £49,000 for the period to September 2000 and a loss on ordinary activities before tax of £9,074,000 compared with £6,534,000 in the same period in the previous year. Stripping out the effects of exceptional charges, the loss on ordinary activities before tax for the nine months was £6,322,000 compared with £6,534,000.

The results for the third quarter include turnover of £75,000, cost of sales £689,000, administrative expenses £1,417,000 resulting in a loss before interest receivable and exceptional items of £2,031,000.

The exceptional charge of £2,752,000 included in these results reflects the reorganisation costs already announced and the additional charge for restructuring the U.K. operation and reducing headcount (as anticipated in our interim report). There will be a further charge in the fourth quarter of approximately £0.4m to provide for the need to further reduce operating costs. Cash burn in the nine months to 30 September 2001 was £7.1m and for the 3 months ending 30 September 2001 was £1.8m. The cash balance at 30 September 2001 was £33.2m. Cash burn will continue to reduce substantially in the light of the cost reductions we have made and are continuing to make.

Loss per share in the nine months to 30 September 2001 was 15.4p, and before exceptional charges was 10.7p. Shareholders' funds were £33.6m.

Operational Review

In the table below, we set out the number of exhibitions, conferences and solutions we have signed, those currently running and those which have been hosted. The data for the nine months is compared to the performance in this quarter.

9 months to 30 September 2001	**Exhibitions (see note 10)**	**Conferences**	**Bespoke solutions**	**Total**
Signed	15	5	3	23
Running at 30 September 2001	3	1	2	6
Hosted	17	4	1	22

3 months to 30 September 2001	***Exhibitions***	***Conferences***	***Bespoke solutions***	***Total***
Signed	3	1	–	4
Running at 30 September 2001	3	1	2	6
Hosted	5	4	–	9

The data above highlights the activity over the course of the period, with events hosted or running out of North America and Europe (including UK).

Prospects and outlook

We have followed the strategy outlined in the interim report to reduce our costs in order to achieve breakeven as early as possible. Whilst cash burn has been reduced since June, the Board believes that the length of time required to reach breakeven at current levels of business is unacceptable. The Board considers that optimum advantage will be gained from our financial strength by combining with another business.

In isolation, the Group's small capitalisation does not fully justify the listing on the Official List of the UK Listing Authority and, accordingly, the Board is reviewing all available options including combining with another business or a return of surplus cash to shareholders.

A further announcement will be made imminently.

Consolidated profit and loss account
For the 9 month period ended 30 September 2001

	Note	Normal trading £'000 (Unaudited)	Exceptional item £'000 (Unaudited)	Total nine months ended 30 September 2001 £'000 (Unaudited)	Nine months ended 30 September 2000 £'000 (Unaudited)	16 months ended 31 December 2000 £'000 (Audited)
Turnover	2	360	–	360	49	171
Cost of sales		(3,248)	–	(3,248)	(4,307)	(6,271)
Gross loss		(2,888)	–	(2,888)	(4,258)	(6,100)
Administration expenses before exceptional item		(4,859)	–	(4,859)	(2,343)	(4,183)
Exceptional item	3	–	(2,752)	(2,752)	–	(2,780)
Administrative expenses		(4,859)	(2,752)	(7,611)	(2,343)	(6,963)
Operating loss before exceptional item		(7,747)	–	(7,747)	(6,601)	(10,283)
Exceptional item	3	–	(2,752)	(2,752)	–	(2,780)
Operating loss		(7,747)	(2,752)	(10,499)	(6,601)	(13,063)
Net interest receivable and similar income		1,425	–	1,425	67	460
Loss on ordinary activities before taxation and exceptional item		(6,322)	–	(6,322)	(6,534)	(9,823)
Exceptional item	3	–	(2,752)	(2,752)	–	(2,780)
Loss on ordinary activities before taxation		(6,322)	(2,752)	(9,074)	(6,534)	(12,603)
Tax on loss on ordinary activities	4	–	–	–	–	–
Loss for the financial period	6	(6,322)	(2,752)	(9,074)	(6,534)	(12,603)
Basic/diluted loss per share	5	(10.7)p		(15.4)p	(21.8)p	(43.2)p

Expoplanet AB, which was acquired on 31 July 2001 (see note 8) contributed £7,000 towards the turnover of £360,000 and £30,000 towards the operating loss of £10,499,000 for the nine months ended 30th September 2001.

Consolidated balance sheet
At 30 September 2001

	Note	30 September 2001 (Unaudited) £'000	30 September 2000 (Unaudited) £'000	31 December 2000 (Audited) £'000
Fixed assets				
Intangible assets		1,199	–	1,655
Tangible assets		716	929	961
		1,915	929	2,616
Current assets				
Debtors and prepayments		630	604	629
Cash at bank and in hand		33,206	12,973	40,353
		33,836	13,577	40,982
Creditors: amounts falling due within one year		(1,736)	(3,547)	(2,141)
Net current assets		32,100	10,030	38,841
Total assets less current liabilities		34,015	10,959	41,457
Provisions for liabilities and charges		(372)	–	–
Net assets		33,643	10,959	41,457
Capital and reserves				
Called up share capital		191	124	183
Shares to be issued		500	–	–
Share premium account		34,307	18,095	33,777
Other reserves		20,312	192	20,100
Profit and loss account		(21,667)	(7,452)	(12,603)
Equity shareholders' funds	5	33,643	10,959	41,457

The financial information for the period to 30 September 2001 was approved by the directors on 19 December 2001. The comparative figures for the 16 month period ended 31 December 2000 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The audit report on these accounts was unqualified and did not contain any statement under s237(2) or (3) of the Companies Act 1985.

Consolidated cash flow statement
For the 9 month period ended 30 September 2001

	Note	Nine months ended 30 September 2001 (Unaudited) £'000	Nine months ended 30 September 2000 (Unaudited) £'000	Sixteen months ended 31 December 2000 (Audited) £'000
Net cash outflow from operating activities	7	(7,550)	(4,012)	(9,275)
Returns on investments and servicing of finance				
Interest received		1,379	68	463
Interest paid		(3)	(1)	(3)
Capital expenditure and financial investment				
Payment to acquire fixed assets		(838)	(1,021)	(1,177)
Acquisitions and disposals				
Purchase of subsidiary undertaking	8	(137)	–	–
Net cash acquired with subsidiary	8	2	–	–
Cash outflow before financing		(7,147)	(4,966)	(9,992)
Financing				
Issue of shares (net of issue costs)		–	17,121	50,345
(Decrease)/increase in cash in the period		(7,147)	12,155	40,353

Notes forming part of the interim financial information

1. Basis of preparation

The financial information for the period to 30 September 2001 has been prepared in accordance with the same accounting policies used in the Group's 2000 financial statements and under the historical cost accounting rules. In an event where the Group returns all cash to shareholders, it will cease to be a going concern and accordingly it is inappropriate to prepare these financial statements on a going concern basis. In such circumstances adjustment would be required to reduce the value of assets to their recoverable amount and to provide for any further liabilities that may arise.

2. Turnover and segmental information

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services during the period.

The Group's turnover, loss before interest and tax and net assets, derives from the supply of solutions to event organisers.

	Nine months ended 30 September 2001 £'000	Nine months ended 30 September 2000 £'000	Sixteen months ended 31 December 2000 £'000
Turnover by destination			
Europe	159	49	106
USA (2000: Middle East)	201	–	65
	360	49	171

3. Exceptional items

	Nine months ended 30 September 2001 £'000	Nine months ended 30 September 2000 £'000	Sixteen months ended 31 December 2000 £'000
Impairment costs	2,068	–	–
Restructuring costs	684	–	–
Flotation on London Stock Exchange	–	–	890
UITF 17 charge for share options which are fully vested	–	–	1,737
UITF 17 charge for shares issued at below market value	–	–	153
	2,752	–	2,780

Impairment and Restructuring costs

Impairment costs

As a result of the slow take up of new technologies, the Directors have reconsidered their expectations of future years, which has led to the impairment in value of its exclusive 3D licence agreement of £1,324,000. The Group has also identified excess capacity in both its operating licences and its hosting facilities. The Directors have written off previously capitalised licence costs of £392,000 and unutilised licence and hardware costs of £98,000 and £254,000 respectively, in accordance with FRS 11.

Restructuring costs

Restructuring costs consist of redundancy costs of £285,000, royalty fees payable in respect of the exclusive 3D licence agreement of £186,000, costs of the 3D sales tool CD Rom of £78,000, and other related costs of £135,000.

4. Tax on loss on ordinary activities

The group is preparing a claim to the Inland Revenue for an R&D tax credit. If agreed with the Inland Revenue this will result in a repayment to the group of cash in excess of £1 million.

5. Loss per Share

Basic loss per share is calculated on the loss for the financial period of £9,074,000 (2000: £6,534,000) and 50,020,914 shares (2000: 29,920,419), being the weighted average number of shares in issue during the period.

6. Reconciliation of movements in shareholders' funds

	Nine months ended 30 September 2001 £'000	Nine months ended 30 September 2000 £'000	Sixteen months ended 31 December 2000 £'000
Loss for the financial period	(9,074)	(6,534)	(12,603)
Issue of shares, nominal value	8	39	183
Premium on issue of shares	530	17,082	33,777
Potential issue of shares – contingent consideration for Expoplanet acquisition	500	–	–
UITF 17 reserve	212	192	2,005
Foreign exchange differences	10	–	–
Re-organisation reserve, established on merger with Expocentric.com Limited	–	–	18,095
Net (decrease)/addition to shareholders' funds	(7,814)	10,779	41,457
Opening shareholders' funds	41,457	180	–
Closing shareholders' funds	33,643	10,959	41,457

7. Reconciliation of operating loss to net cash outflow from operating activities

	Nine months ended 30 September 2001 £'000	Nine months ended 30 September 2000 £'000	Sixteen months ended 31 December 2000 £'000
Operating loss	(10,499)	(6,601)	(13,063)
Exceptional impairment cost	2,068	–	–
Depreciation and amortisation charges	711	135	271
UITF 17 charge for share and share options	212	192	2,005
Decrease/(increase) in debtors and prepayments	49	(414)	(629)
(Decrease)/increase in creditors	(473)	2,676	2,141
Increase in provisions	372	–	–
Exchange movement	10	–	–
Net cash outflow from operating activities	(7,550)	(4,012)	(9,275)

8. Acquisitions

On 31 July 2001 the Group acquired the whole of the share capital of Expoplanet AB, a company registered in Sweden. Expoplanet is a provider of online services to the exhibition and event industry in Scandinavia. The resulting goodwill was capitalised and is being amortised over 5 years.

The assets acquired, at fair value, are shown below. There is no material difference between the book value and fair value of these assets.

	Book and fair value £'000
Current assets	
Debtors and prepayments	1
Cash	2
Total assets	3
Current liabilities	
Loans	34
Taxation and social security	15
Other creditors and accruals	19
Total liabilities	68
Net liabilities	(65)
Goodwill	1,240
	1,175
Satisfied by	
Cash consideration	60
Repayment of loans	40
Share based consideration	538
Contingent share based consideration	500
Acquisition expenses	37
	1,175

Share based consideration comprises 2,500,000 ordinary shares in Expocentric at a price of 21.5p each, the middle market quotation of Expocentric's shares on 31 July 2001. These shares were admitted to the official list of the UK listing authority and have been trading since 8 August 2001.

Contingent share based consideration represents deferred consideration which may be payable to the vendors up to a maximum of £500,000 calculated with reference to the financial performance of Expoplanet AB during the period from 31 July 2001 to 31 December 2002.

9. Post balance sheet events

A further charge of £0.4m will be incurred in the fourth quarter in order to reduce operating costs further.

10. Non-financial operating data – (Exhibitions only)

The following table sets out the principal non-financial operating data for the exhibition product:

	Note	Nine months ended 30 September 2001	Nine months ended 30 September 2000	16 month period to 31 December 2000
Number of exhibitions signed	(i)	15	16	22
Number of exhibitions running	(ii)	3	3	1
Number of exhibitions hosted	(iii)	17	2	9

(i) *Number of exhibitions signed during the period*
A 'signed exhibition' means any company which has signed a valid agreement with Expocentric, or which has signed heads of agreement, or which has signed proposals for the holding of a virtual exhibition (including pilot exhibitions). This demonstrates the pipeline of expected exhibitions.

(ii) Number of exhibitions running at the end of the period
A 'running exhibition' means any virtual exhibition (including pilot exhibitions) that was in progress at the end of the particular quarter.

(iii) Number of hosted exhibitions at the end of the period
A 'hosted exhibition' means any virtual exhibition (including pilot exhibitions) that has actually taken place and ended during a particular period."

Section B Financial information on Expocentric for the 16 months ended 31 December 2000

Basis of Financial Information

The financial information contained in this Section B does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information in Section B for the 16 month period ended 31 December 2000 has been extracted without material adjustment from the full audited consolidated accounts of the Expocentric Group for the 16 month period. Copies of the accounts for this period have been delivered to the Registrar of Companies in England and Wales. KPMG Audit plc, Chartered Accountants and Registered Auditors, of Dukes Keep, Marsh Lane, Southampton SO14 3EX have made a report under section 235 of the Companies Act 1985 in respect of the statutory consolidated accounts for the 16 month period ended 31 December 2000 and such reports were unqualified and did not contain a statement under section 237(2) of the Companies Act 1985.

1. Expocentric Consolidated Profit and Loss Account

	Note	For the 16 months ended 31 December 2000 Normal trading £'000	Exceptional items (note 3) £'000	Total 2000 £'000
Turnover	1	171	–	171
Cost of sales		(6,271)	–	(6,271)
Gross loss	2	(6,100)	–	(6,100)
Administrative expenses		(4,183)	(2,780)	(6,963)
Operating loss		(10,283)	(2,780)	(13,063)
Net interest receivable and similar income	4,5	460	–	460
Loss on ordinary activities before taxation	2	(9,823)	(2,780)	(12,603)
Tax on loss on ordinary activities		–	–	–
Loss for the financial period		(9,823)	(2,780)	(12,603)
Basic/diluted loss per share	6			(43.2)p

All results arise from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period and their historical cost equivalents. There are no recognised gains or losses other than the result for the period as reported above.

2. Expocentric Consolidated Balance Sheet

	Note	As at 31 December 2000 £'000	£'000
Fixed assets			
Intangible assets	7	1,655	
Tangible assets	8	961	
			2,616
Current assets			
Debtors	9	629	
Cash at bank and in hand		40,353	
		40,982	
Creditors: amounts falling due within one year	10	(2,141)	
Net current assets			38,841
Net assets			41,457
Capital and reserves			
Called up share capital	11		183
Share premium account	12		33,777
Other Reserves	12		20,100
Profit and loss account	12		(12,603)
Equity shareholders' funds	13		41,457

3. Expocentric Consolidated Cash Flow Statement

	Note	For the 16 months ended 31 December 2000 £'000
Net cash outflow from operating activities	14	(9,275)
Returns on investments and servicing of finance		
Interest received		463
Interest paid		(3)
Capital expenditure and financial investment		
Payment to acquire tangible assets		(1,177)
Cash outflow before financing		(9,992)
Financing		
Issue of shares (net of issue costs)		50,345
Increase in cash in the period	15	40,353

The purchase of the intangible asset of £1,710,000 was paid for by the issue of shares and as such had no impact on cash, see note 7.

4. Expocentric Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Expocentric Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Consolidation

The consolidated financial statements include the financial statements of Expocentric and its wholly owned subsidiary undertakings, Expocentric.com Limited and Expocentric Inc, for 16 months to 31 December 2000.

Expocentric was incorporated on 19 September 2000 as Expocentric Limited with the purpose of becoming a holding company for Expocentric.com Limited. Between that date and 2 November 2000 Expocentric did not trade and had in issue only one subscriber share. On 2 November 2000 Expocentric acquired the entire issued share capital of Expocentric.com Limited via a share-for-share exchange with the shareholders of Expocentric.com Limited. This has been accounted for using merger accounting as it satisfies the Financial Reporting Standard 6 conditions for merger accounting in the case of a group reconstruction. From 1 September 1999 until 2 November 2000 the only company within the Expocentric Group was Expocentric.com Limited.

On 6 November 2000 Expocentric was re-registered as a public limited company under s43 of the Companies Act 1985 and changed its name to Expocentric plc.

Under s230(4) of the Companies Act 1985 Expocentric is exempt from the requirement to present its own profit and loss account.

Depreciation and amortisation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment (hardware and software)	– 33% per annum
Office Equipment	– 33% per annum

Amortisation is provided to write off the cost of intangible assets over their economic useful life, or in the case of licences, the period of their contractual life, in accordance with FRS 10.

There is no charge for depreciation or amortisation in the month of purchase or contract and a full charge in the month of sale or expiry.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Overseas subsidiaries have been translated at the rates of exchange ruling at the balance sheet date. Any exchange differences are taken directly to reserves.

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred. Software and other development costs incurred in creating the Expocentric Group's virtual exhibition product ("the product") are also written off as incurred.

Financial instruments

It has been the Expocentric Group's policy during the period not to enter into derivative transactions, nor to trade in financial instruments. The Expocentric Group has to date generated sufficient cash from the issue of equity to fund its operations.

Cash at bank and bank deposits can only be invested with highly rated institutions and Board policy limits the amount which can be invested with any one institution and the length of maturities for those bank deposits.

The Expocentric Group is at risk from interest rate fluctuations as dictated by the Bank of England, but will be developing its treasury policy to limit this exposure by putting funds on term deposits in the first quarter of 2001. Risk from foreign exchange is currently not material.

Pension scheme

The Expocentric Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Expocentric Group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme by the Expocentric Group in respect of the accounting period under review.

Costs of web site

The costs relating to the development of the Expocentric Group's web site are written off as incurred.

5. Notes to the Expocentric Financial Statements

1. Turnover and Segmental information

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services, which fall within the Expocentric Group's ordinary activities.

The Expocentric Group recognises revenue from shows in the month in which the virtual show closes, however revenue for shows running for in excess of 60 days are recognised over the period of the show. Income from consultancy or other services is recognised as the work is completed or when milestones are met.

The Expocentric Group's turnover, loss before interest and tax and net assets, derives from the provision of 3D interactive exhibition services originating within the United Kingdom. Expocentric Inc was not revenue generating in the period.

	Turnover by destination
	£'000
UK	106
Other	65
	171

2. Loss on ordinary activities before taxation

	£'000	£'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation:		
- Owned assets		216
Amortisation of intangible assets		55
Operating leases – plant and machinery		31
Operating leases – land and buildings		273
Research and development expenditure		5,148
Auditors' remuneration – audit services		
- Group		43
- Company		–
Other fees paid to the auditors and their associates		
- Group		249
- Company		205
- UITF 17 charge for the period for share options vesting 48 months from Date of Grant		115

	£'000	£'000
Exceptional items		
Flotation on London Stock Exchange		890
UITF 17 charge for share options which are fully vested	1,737	
UITF 17 charge for shares issued at below market value	153	
		1,890
		2,780

The costs incurred for the flotation relate to legal, accounting and administration fees for the placing of the existing 40,739,104 Ordinary Shares on the London Stock Exchange. The costs for the issue and placing of the 17,708,333 new Ordinary Shares to complete the Listing of £1,964,000, were charged against the share premium account.

In accordance with UITF 17 the Expocentric Group has charged £2,005,000 to the profit and loss account relating to shares awarded and share options granted to certain directors and employees at a value below their estimated market price. The Expocentric Group will not be granting further options at below market price and as such there will be no UITF 17 charge applicable to new options granted in future periods.

The UITF 17 charge for £1.7 million is in relation to share options, which vested upon the Expocentric Group's listing on the London Stock Exchange.

3a. Staff numbers and costs

The average number of persons employed by the Expocentric Group (including directors) during the period, analysed by category, was as follows:

	Number of employees
Management and administration	32

The Expocentric Group employed 64 people as at 31 December 2000.

The aggregate payroll costs of these persons were as follows:

	£'000
Wages and salaries	1,885
Annual bonus	251
	2,136
Social security costs	226
Other pension costs	75
	2,437

3b. Directors emoluments

The following disclosures set out the aggregate emoluments and remuneration paid to the Directors of Expocentric plc from their date of appointment until 31 December 2000.

	£'000
Directors' emoluments	96
Annual Bonus	100
	196
Company contributions to money purchase pension schemes	11

The emoluments including bonus of the highest paid Director were £73,000 and company pension contributions of £1,000 were made to a money purchase pension scheme on his behalf.

Retirement benefits accrue to three of the Directors under money purchase pension schemes.

The various elements of the remuneration packages for each Director from the date of their appointment to Expocentric plc are as follows:

	Date of Appointment to Expocentric plc	Salary and fees £'000	Benefits £'000	Bonus £'000	Total £'000	Pension £'000
Executive						
Stephen Moore	19 September 2000	30	3	40	73	1
Philip Poyner	29 September 2000	12	2	20	34	1
Hugh Scrimgeour[2]	27 September 2000	28	2	40	70	9
Non-Executive						
Terry Golding	19 September 2000	7			7	
Alan Coppin	19 October 2000	5			5	
Brian Hilton[2]	3 November 2000	3			3	
Tony Tillin	3 November 2000	4			4	
		89	7	100	196	11

[1]Benefits include provision of a company car and healthcare insurance for directors and their families all of which are taxable.

[2]Hugh Scrimgeour and Brian Hilton in addition to the above also benefit from share options as disclosed below.

The emoluments of the Directors' received during the 16 months to 31 December 2000 whilst serving as director of a Group Company are shown below:

	Date of Appointment to Group Company	Salary and fees £'000	Benefits £'000	Bonus £'000	Total £'000	Pension £'000
Executive						
Stephen Moore	1 September 1999	133	18	40	191	6
Philip Poyner	1 September 1999	74	10	20	104	3
Hugh Scrimgeour	13 June 2000	110	7	40	157	36
Non-Executive						
Terry Golding	7 March 2000	59			59	
Alan Coppin	19 October 2000	5			5	
Brian Hilton	13 June 2000	8			8	
Tony Tillin	3 November 2000	4			4	
		393	35	100	528	45

Directors' share options

Share options in the Company have been granted to Hugh Scrimgeour and Brian Hilton as set out below:

	At date of Appointment to Expocentric plc	Granted since appointment	Surrendered	At 31 December 2000	Exercise price	Date from which exercisable	Expiry date
Hugh Scrimgeour[1, 2]	960,000	1,094,400	960,000	1,094,400	0.3125p	15/11/00	15/11/10
	–	38,624	–	38,624	192p	15/11/01	15/11/10
	–	52,064	–	52,064	192p	9/11/01	9/11/10
Brian Hilton[3]	–	91,200	–	91,200	0.3125p	Publication of Preliminary Announcement 2001	6/11/10

[1]Hugh Scrimgeour has been granted these options under the Unapproved Share Option Scheme. They replace options which were held in Expocentric.com Limited. These options become exercisable upon the Company listing on the Stock Exchange; however disposal is subject to a lock in arrangement valid until publication of Group's results for 2001.

[2]Hugh Scrimgeour has also been granted 38,624 additional options under the Unapproved Share Option Scheme and 52,064 options under the Enterprise Management Incentive Scheme. These share options at a rate of 1/36th per month following the first anniversary of their Date of Grant and are exercised subject to performance criteria being met which determine the overall percentage of options granted which will be eligible to vest. Performance criteria are set in relation to future business expansion and developments.

[3]Brian Hilton has been granted options at par over 91,200 Ordinary Shares which relate to a pre-flotation share option agreement exercisable upon the listing on the London Stock Exchange and the publication of the preliminary results for the year ending December 2001.

No options lapsed unexercised during the period other than the surrendered ones referred to above. All amounts in the above table are stated after the 32 for 1 split.

4. Other interest receivable and similar income

	£'000
Other interest receivable	463

5. Interest payable and similar charges

	£'000
Interest payable	3

6. Loss per share

Basic loss per share is calculated on the loss for the financial period of £12,602,922 and 29,190,904 issued Ordinary Shares (post 32 for 1 split – see note 11), being the weighted average number of shares in issue during the period.

7. Intangible fixed assets

	Software licences £'000
Cost	
At beginning of period	–
Additions	1,710
At end of period	1,710
Amortisation	
At beginning of period	–
Charge for period	55
At end of period	55
Net book value	
At 31 December 2000	1,655

On 6 November 2000 Expocentric.com Limited entered into a worldwide exclusive licence with Superscape plc to use its 3D software for the purpose of developing a virtual exhibition product and for providing virtual exhibition services. In the Directors' view, the exclusivity period is intended to run indefinitely and future development expenditure will maintain and enhance the value of this asset.

However, the access to the economic benefit associated with this exclusive agreement is achieved through legal rights that have been granted for a finite period. The economic life of the agreement may extend beyond that period only if, and to the extent that, the legal rights are renewable and renewal is assured. Whilst the rights are renewable, renewal at this stage cannot be assured, and in order to comply with Financial Reporting Standard 10, the Directors are obliged to amortise the licence in accordance with its contractual life.

8. Tangible fixed assets

	Computer and office equipment £'000
Cost	
At beginning of period	–
Additions	1,177
At end of period	1,177
Depreciation	
At beginning of period	–
Charge for period	216
At end of period	216
Net book value	
At 31 December 2000	961

Computer and office equipment includes computer hardware costs capitalised in connection with the development of the Expocentric Group's product.

9. Debtors

	£'000
Trade debtors	51
Amounts owed by subsidiaries	–
Other debtors	281
Prepayments and accrued income	297
	629

10. Creditors: amounts falling due within one year

	£'000
Trade creditors	883
Taxation and social security	146
Other creditors	102
Accruals and deferred income	1,010
	2,141

All creditors are due within one year

11. Called up share capital

	£'000
Authorised	
80,000,000 Ordinary Shares of 0.3125p each	250
Allotted, called up and fully paid	
58,447,437 Ordinary Shares of 0.3125p each	183

As described in the Expocentric accounting policies, prior to 2 November 2000, the only company within the Expocentric Group was Expocentric.com Limited.

Expocentric.com Limited was incorporated with an authorised share capital of £100,000 divided into 100,000 Ordinary Shares of £1 each, of which two shares were issued at par.

On 30 June 2000 the share capital of Expocentric.com Limited was sub-divided from Ordinary Shares of £1 to Ordinary Shares of 10p and the authorised share capital was increased from £100,000 to £140,000 by the creation of an additional 400,000 Ordinary Shares of 10p each, post 10 for 1 split.

During the period from incorporation to 2 November 2000, Expocentric.com Limited issued a total of 963,255 shares (post 10 for 1 split) to its founders and other investors for a total consideration of £5.3 million. In addition, Expocentric.com Limited allotted 274,479 Ordinary Shares of 10p each, in September 2000, at a price of £50.90 per share and subject to the terms of a private placing agreement. Total funds raised from the placing amounted to £13.0 million, net of issue costs.

Expocentric plc was incorporated on 19 September 2000, as Expocentric Limited with an authorised share capital of £140,000 divided into 1,400,000 Ordinary Shares of 10p each, of which one share was issued at par.

On 2 November 2000, Expocentric acquired the entire issued share capital of Expocentric.com Limited, comprising on that date 1,237,736 Ordinary Shares of 10p each in Expocentric.com Limited, in a group reorganisation. This was satisfied by the issue of 1,237,736 Ordinary Shares of 10p each to the shareholders of Expocentric.com Limited, such that following the reconstruction the Group's ultimate shareholders were identical to those immediately before the reconstruction, and the rights of each such shareholder, relative to the others, were unchanged.

On 4 November 2000 the share capital of Expocentric was sub-divided from Ordinary Shares of 10p to Ordinary Shares of 0.3125p following a 32 for 1 split and the authorised share capital was increased from £140,000 to £250,000 by the creation of an additional 35.2 million Ordinary Shares of 0.3125p each (post 32 for 1 split).

On 6 November 2000, Expocentric allotted, on behalf of the Expocentric Group 1,076,960 Ordinary Shares of 0.3125p each (post 32 for 1 split) at an issue price of £50.90 per share as consideration for exclusive rights for the Expocentric Group to use certain bespoke interactive 3D exhibition stand software, see note 8.

Between 2 November 2000 and 15 November 2000 Expocentric issued 54,592 Ordinary Shares of 0.3125p each (post 32 for 1 split) to employees and directors of the Expocentric Group. Total consideration received amounted to £87,000.

On 15 November 2000 Expocentric allotted 17,708,333 Ordinary Shares of 0.3125p each at a price of 192p per share on admission of Expocentric's ordinary share capital to listing on the official list and to trading on the London Stock Exchange. The total funds raised from the placing amounted to £32.0 million, net of issue costs.

Share options granted and outstanding, but not exercised at 31 December 2000 were as follows:

Number of options	Exercise price per 0.3125p ordinary share	Exercisable for period up to and including:
83,648	159p	4 September 2005
177,083	192p	7 November 2005
Unapproved Scheme/Enterprise Management Incentive Scheme		
311,680	0.3125p	13 June 2010
119,808	0.3125p	14 September 2010
960,000	0.3125p	3 July 2010
38,624	0.3125p	15 November 2010
52,064	192p	9 November 2010
670,272	192p	6 November 2010

Expocentric has granted no options under the Approved Scheme in the period.

Directors' interests in shares

The beneficial interests of the Directors who held office at 31 December 2000 in share capital of the Company, excluding interests under the Company's share option schemes disclosed, are set out below:

	At 31 December 2000	At date of appointment
Executive		
Stephen Moore	12,784,000	12,784,000
Hugh Scrimgeour	23,604	10,688
Philip Payne	3,096,000	3,096,000

	At 31 December 2000	At date of appointment
Non-Executive		
Terry Golding	160,000	160,000
Alan Coppin	11,480	–
Brian Hilton	6,400	–
Tony Tilfin	11,480	–

12. Statement of movements on reserves

	Expocentric Group		
	Share premium £'000	Other reserves £'000	Profit and loss account £'000
At beginning of period	–	–	–
Loss for the financial period	–	–	(12,603)
Shares issued (net of issue costs)	33,777	–	–
Expocentric Group re-organisation	–	18,095	–
Credit in respect of UITF 17 charge for shares and share options	–	2,005	–
At end of period	33,777	20,100	(12,603)

13. Reconciliation of movements in shareholders' funds

	Expocentric Group £'000
Loss for the financial period	(12,603)
Issue of shares, nominal value	183
Premium on issue of shares	33,777
UITF 17 reserve	2,005
Re-organisation reserve, established on merger with Expocentric.com Limited	18,095
Net addition to shareholders' funds	41,457
Opening shareholders' funds	–
Closing shareholders' funds	41,457

14. Reconciliation of operating loss to net cash outflow from operating activities

	£'000
Operating loss	(13,063)
Depreciation and amortisation charges	271
UITF 17 charge for shares and share options	2,005
Increase in debtors	(629)
Increase in creditors	2,141
Net cash outflow from operating activities	(9,275)

15. Reconciliation of net cash flow to movement in net funds

	£'000
Increase in cash in the period	40,353
Net funds at start of period	–
Net funds at end of period	40,353

Net funds throughout the period have been held in cash.

16. Financial instruments

The Expocentric Group's financial instruments comprise cash at bank and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Expocentric Group's operations.

Short-term debtors and creditors as defined by Financial Reporting Standard 13 have been excluded from the disclosures, other than currency disclosures, as permitted by the Standard.

As at 31 December 2000 the Expocentric Group had a cash at bank balance of £40,353,000 (£nil at the beginning of the period), all of which was denominated in Sterling; of these cash reserves £40,325,000 is held in sterling funds with two separate banks. These funds are redeemable on demand and currently earn interest at a floating rate in line with LIBOR.

Expocentric is exposed to interest rate risk and to foreign exchange risk, although during the year under review the foreign exchange dealings were not material.

17. Commitments

Expocentric and Expocentric Group had no contracted capital commitments at the end of the period. Annual commitments under non-cancellable operating leases are as follows:

	Expocentric Group	
	Land and buildings £000	Other £000
Operating leases which expire		
Within one year	262	–
In the second to fifth years inclusive	–	86
	262	86

18. Contingent liabilities

At 31 December 2000, neither Expocentric nor the Expocentric Group had any contingent liabilities.

19. Pension scheme

The Expocentric Group operates a defined contribution pension scheme, which is open to employees upon completing six months service. The Expocentric Group makes a contribution to the scheme based upon length of service of the employee. The pension cost charge for the period represents contributions payable by the Expocentric Group to the scheme and amounted to £74,665. Outstanding contributions amounting to £74,665 were payable at 31 December 2000.

20. Related party transactions

Expocentric.com Limited, a member of the Expocentric Group has incurred costs amounting to £42,697 with Coastal Contracts Limited (trading as BJ Events). These costs were incurred pre-flotation on normal commercial terms and principally comprised the design and erection of exhibition stands both in the UK and overseas.

Coastal Contracts Limited is jointly owned by Stephen Moore and his wife. Stephen Moore stopped working for Coastal Contracts Limited in July 1999 and resigned as a director of Coastal Contracts Limited on 4 September 2000 to concentrate on Expocentric.

Roger Moore, Stephen Moore's father acted as a consultant in the successful securing of investor funding prior to the listing of Expocentric and fees paid for his services up to that time amounted to £22,500.

The balance outstanding to BJ Events was £580 and to Roger Moore was nil as at 31 December 2000.

21. Subsidiary undertakings

Expocentric owns 100% of the following companies as at 31 December 2000:

Expocentric.com Limited, a company registered in England and Wales
Expocentric Inc, a company incorporated in the USA

PART IV

PRO FORMA UNAUDITED STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited pro forma statement of net assets of the Enlarged Group following the Offer has been prepared for illustrative purposes only to provide information about the effect of the Offer on MICE Group's net assets and borrowings as if it had taken place prior to 30 June 2001. Because of its nature, the unaudited pro forma statement may not give rise to a true picture of the financial position of the Enlarged Group following the Offer.

The pro forma net asset statement is based on:

(a) the unaudited consolidated balance sheet of MICE as at 30 June 2001;

(b) the unaudited consolidated balance sheet of Expocentric as at 30 September 2001.

		Adjustments		
	MICE as at 30 June 2001 (Note 1) £'000	Expocentric as at 30 September 2001 (Note 2) £'000	The Offer (Note 3) £'000	Pro forma net assets (Note 4) £'000
Fixed assets				
Tangible fixed assets	25,513	716	–	26,229
Intangible fixed assets	18,149	1,199	–	19,348
Investments	949	–	–	949
Investments in associates	331	–	–	331
	44,942	1,915	–	46,857
Current assets				
Stocks and work in progress	5,463	–	–	5,463
Debtors	19,363	630	–	19,993
Cash at bank and in hand	3,386	33,206	–	36,592
	28,212	33,836	–	62,048
Creditors				
Amounts falling due within one year	(21,823)	(1,736)	(1,550)	(25,109)
Net current assets	6,389	32,100	(1,550)	36,939
Total assets less current liabilities	51,331	34,015	(1,550)	83,796
Creditors				
Amounts falling due after more than one year	(25,950)	–	–	(25,950)
Provisions for liabilities and charges	(905)	(372)	–	(1,287)
Net assets	24,476	33,643	(1,550)	56,559

Notes to the unaudited pro forma net asset statement of the Enlarged Group:

1. The balance sheet of MICE as at 30 June 2001 is extracted without material adjustment from the financial information on MICE in Section A of Part II.
2. The balance sheet of Expocentric as at 30 September 2001 is extracted without material adjustment from the financial information on Expocentric in Section A of Part III.
3. The Offer is being made on the basis of 10 New MICE Shares for every 19 Expocentric Shares. Assuming full acceptance of the Offer (excluding options granted pursuant to the Expocentric Share Option Scheme) a total of 32,078,557 New MICE Shares would be issued. Estimated expenses arising as a result of the Offer are £1.55 million.
4. No account has been taken of trading or working capital movements since the respective period ends of MICE and Expocentric.

LETTER FROM ERNST & YOUNG ON THE PRO FORMA STATEMENT

The Directors
MICE Group plc
10 Arley Industrial Park
Colliers Way
Spring Hill
Arley
Coventry CV7 8HN

The Directors
City Financial Associates Limited
Pountney Hill House
6 Laurence Pountney Hill
London EC4R 0BL

The Directors
Beeson Gregory Limited
The Registry
Royal Mint Court
London EC3N 4EY

21 December 2001

Dear Sirs

MICE Group plc – pro forma financial information

We report on the pro forma financial information set out in Part IV of the listing particulars dated 21 December 2001 of MICE Group plc which has been prepared, for illustrative purposes only, to provide information about how the acquisition might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the Directors of MICE Group plc to prepare the pro forma financial information in accordance with paragraph 12.29 of the Listing Rules of the UK Listing Authority.

It is our responsibility to form an opinion, as required by the Listing Rules of the UK Listing Authority, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board. Our work, which involved no independent examination of the underlying financial information, consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the Directors of MICE Group plc.

Opinion

In our opinion:

- the pro forma financial information has been properly compiled on the basis set out therein;
- such basis is consistent with the accounting policies of MICE Group plc; and
- the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 12.29 of the Listing Rules of the UK Listing Authority.

Yours faithfully

Ernst & Young

PART V

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors, whose names appear in paragraph 1.3 below accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The Expocentric Directors, whose names appear in paragraph 1.4 below, accept responsibility for the information contained in this document relating to the Expocentric Group, the Expocentric Directors and their immediate families and persons connected with the Expocentric Directors. To the best of the knowledge and belief of the Expocentric Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 The Directors and their respective functions are:

Michael James Curley	Executive Chairman
David Richard Pugh	Finance Director
James Richard Harold Curley	Executive Director
Peter Marshall Dillon	Executive Director
John Billington	Executive Director
Stephen John Barclay	Non-Executive Director
The Rt. Hon. Sir Richard Francis Needham	Non-Executive Director
George Wolfgang Kadoke	Non-Executive Director

The business address of the Directors is 10 Arley Industrial Park, Colliers Way, Spring Hill, Arley, Coventry CV7 8HN.

1.4 The Expocentric Directors and their respective functions are:

Terence Edward Golding	Non-Executive Chairman
Hugh Carron Scrimgeour	Chief Executive Officer
Kevin Andrew Hayes	Chief Financial Officer
Alan Charles Coppin	Non-Executive Director
Brian James George Hilton	Non-Executive Director
Anthony Michael Tillin	Non-Executive Director

The business address of the Expocentric Directors is 1100 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AB.

2. The Company

2.1 The Company was incorporated and registered in England and Wales on 10 December 1993 as a public company limited by shares with registered number 2879731 under the Act as Voterise Public Limited Company. The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.2 On 9 November 1994, the name of the Company was changed to MICE Group plc.

2.3 The registered office, head office and the principal place of business in the United Kingdom of the Company is at 10 Arley Industrial Park, Colliers Way, Spring Hill, Arley, Coventry, CV7 8HN.

3. Subsidiaries

3.1 The Company is the holding company of the Group, the principal activities of which are to provide multinational communication experiences.

3.2 The Company has the following principal subsidiary undertakings, all of which are (save where otherwise stated) wholly-owned, either directly or indirectly, by the Company, have the same registered address as the Company (save where otherwise stated) and are consolidated into the annual financial statements of the Company:

Name of Company and registered address	Nature of Share Capital	Issued Share Capital	Principal Activities	Group Interest
MICE International Limited	Ordinary	£1,000	Design, creative services and project manager of museums, interiors, conferences and exhibitions.	100%
Silver Knight Exhibitions Limited	Ordinary	£218,411	Manufacture and production of major exhibition stands, interiors, museums and corporate identity programmes.	100%
Reflections (Shopfitting and Design) Limited	Ordinary	£1,000	Design, construction and installation of specialist point of sale units and interiors	100%
MICE Technical Graphics Limited	Ordinary	£2	Distribution of specialist computer design technology and production of conventional and computer-designed graphics	100%
Artisan Limited	Ordinary	£50	Production of specialist displays for exhibitions, museums, conferences, launches and a product of conventional and computer-designed graphics	100%
(Meissner ExpoSysteme GmbH) (incorporated in Germany) Hamburg HRB 73767, Germany	Ordinary	DM250,000	Display and exhibition of portable systems to worldwide customers and the European division.	100%
Marler Haley Exposystemen SA (incorporated in Belgium) Kerkplein 25, 1930 Zaventem, Belgium	Ordinary	BFr1,250,000	Display and exhibition to worldwide customers and the European division of portable systems	100%
MICE Distribution BV (incorporated in Holland) Saffierbocht, 18-2541 LN, Rosmalen, Netherlands	Ordinary	NGL 40,000	Display and exhibition to worldwide customers and the European division of portable systems	100%
Show Support Limited	Ordinary	£100	Supplier of audio visual equipment and lighting	100%
MICE Kaymar Limited	Ordinary	£1	Manufacturer and producer of specialist unit furniture and point of sale units.	100%
Marler Haley Limited	Ordinary and preference	£3,041,295	Supplier of modular display systems to worldwide customers and the European division	100%
Grant Leisure Group Limited	Ordinary Preference	£142,858 £148,500	Provision of specialist management consultancy and development services for the leisure and tourism industry	76%
Real Live Leisure Company Limited	Ordinary	£100	Operating aquarium visitor attractions	76%
Adlestedt & Hornung GmbH (incorporated in Germany) Hamburg HRB 73767, Germany	Ordinary	DM50,000	Exhibition organisers	100%*
City Conference Services plc	Ordinary	£357,974	Presentation services to businesses and other organisations	100%
John Csaky Associates Limited	Ordinary	£1,000	Design services to industry	76%
Anne Gray Associates Limited	Ordinary	£1,000	Management consultants	76%
Kadoke Displays Deutschland GmbH (incorporated in Germany) Landsbergerstrasse 222, 12623 Berlin, Germany	Ordinary	DM50,000	Exhibition and display services	100%*
Opus Creative Marketing Limited	A Ordinary B Ordinary Preference	£120 £279 £404,000	Marketing services	76%
Domino Promotions Limited	Ordinary	£1	Large format screen printing and point of sale design and production	100%
Essanby Limited	Ordinary	£1,500	Shopfitting, general joinery and architectural aluminium	100%
L.C. Visual Marketing Limited	Ordinary	£59,250	Design, manufacture and installation of display units	100%
Marler Haley Exposystems Limited	Ordinary	£2	Manufacture and installation of modular display units	100%*
Ward Design Studio Limited	Ordinary	£760	Design of retail and point of sale units	100%
Kadoke Displays Limited (incorporated in Canada) 199 Bay Street, Suite 2800 (, Commerce Court West, Toronto, Ontario M5L 1A9, Canada	Ordinary Preference	C$40,125 C$597,000	Exhibition and display services	100%*

Name of Company and registered address	Nature of Share Capital	Issued Share Capital	Principal Activities	Group Interest
Kadoke Exhibition Services (Incorporated in Canada) 199 Bay Street, Suite 28001, Commerce Court West, Toronto, Ontario M5L 1A9, Canada	Common	Can $1	Exhibition and display services	100%*
MICE Group San Francisco Inc (Incorporated in USA) 9 East Loockerman Street, City of Dover, County of Kent, Delaware, USA	Ordinary	US$10,000	Design and project management of creative services	77%*

* Denotes subsidiaries held through an intermediate, non-trading subsidiary undertaking. All other shareholdings are directly held.

4. Share Capital

4.1 The present authorised and issued share capital of the Company is:

Ordinary Shares			
Authorised		Issued	
£	Number	£	Number
4,000,000	100,000,000	2,339,662.32	58,491,558

4.2 At 21 December 1998, the authorised share capital of the Company was £3,000,000 divided into 300,000,000 ordinary shares of 1p each of which 181,739,826 had been issued fully paid or credited as fully paid. Since then there have been the following changes in the authorised and issued share capital of the Company:

(a) on 6 April 1999, the Company increased its authorised share capital to £3,250,000 by the creation of 25,000,000 additional ordinary shares of 1 pence each. On the same date, every 4 of the existing issued and unissued ordinary shares of 1 pence each in the Company was consolidated into 1 Ordinary Share;

(b) between 29 April 1999 and 12 May 1999, 12,391,351 Ordinary Shares were issued at a price of 80 pence each pursuant to a rights issue announced on 11 March 1999;

(c) on 4 June 1999, 90,681 Ordinary Shares were issued at a value of 104p each in part consideration for the acquisition of Hartingdon Limited;

(d) on 9 September 1999, the Company issued 44,577 Ordinary Shares at a price of 112 pence each in consideration of the acquisition of certain stock and materials;

(e) on 20 September 1999, the Company issued 903,750 Ordinary Shares at a price of 12 pence each and 225,000 Ordinary Shares at a price of 21 pence each following the exercise of share options;

(f) on 8 November 1999, 500,000 Ordinary Shares were issued to MICE Group QUEST Trustees Limited at a price of 112 pence each in order to satisfy the exercise in due course of options granted under the SAYE Scheme;

(g) on 9 February 2000, the Company issued 31,325 Ordinary Shares at a price of 122 pence each in part consideration for the acquisition of L.C. Visual Marketing Limited;

(h) on 19 April 2000, the Company increased its authorised share capital to £4,000,000 by the creation of 18,750,000 additional Ordinary Shares;

(i) on 6 September 2000, the Company issued 16,260 Ordinary Shares at a price of 123 pence each to an employee as part of his remuneration package and 87,500 Ordinary Shares at a price of 29 pence each following the exercise of share options;

(j) on 14 September 2000, the Company issued 413,000 Ordinary Shares, at a price of 153 pence each in part consideration for the acquisition of Opus Creative Marketing Limited;

(k) on 8 October 2001, the Company issued 34,000 Ordinary Shares at a price of 29p each following the exercise of share options;

(l) on 17 October 2001, the Company purchased 2,707,188 of its own shares at a price of 72 pence each;

(m) on 23 November 2001, the Company issued 894,854 Ordinary Shares at a price of 89 pence each in settlement of deferred consideration due in respect of the acquisition of Show Support Limited and 131,492 Ordinary Shares at a price of 76 pence each in settlement of deferred consideration due in respect of the acquisition of Opus Creative Marketing Limited.

4.3 By an ordinary resolution passed on 19 April, 2001, the Directors have been authorised in accordance with section 80 of the Act to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £801,845. Such authority will expire on 18 April 2006. The Company's shareholders have certain pre-emption rights in terms of section 89 of the Act in respect of equity securities (within the meaning of section 94 of the Act) proposed to be allotted wholly for cash. However, by a special resolution of the Company passed on 19 April 2001, the Directors have been authorised to allot equity securities wholly for cash as if section 89 of the Act did not apply to such allotment provided that such disapplication shall only apply to allotments in connection with a rights issue or pursuant to any other pre-emptive offer to shareholders and otherwise up to an aggregate nominal amount of £240,554. Such authority will expire on the earlier of 18 July 2002 or the conclusion of the next annual general meeting of the Company.

4.4 If the resolutions set out in the notice of Extraordinary General Meeting at the end of this document, such resolutions being conditional upon the Offer becoming or being declared unconditional in all respects (other than any conditions relating to the passing of such resolutions or Admission) are passed:

(a) the authorised share capital of the Company will be increased to £5,000,000 by the creation of an additional 25,000,000 Ordinary Shares, which would represent an increase of approximately 25 per cent. in the Company's authorised share capital. The authorised share capital is being increased to ensure that the Company has sufficient authorised but unissued share capital to enable the Directors to exercise the allotment authority to be granted to them as described in paragraph 4.4(b) below.

(b) the Directors will be generally and unconditionally authorised in accordance with Section 80 of the Act to allot relevant securities up to an aggregate nominal amount of £2,530,000, such authority to expire at the conclusion of the annual general meeting of the Company in 2002. The amount of £2,530,000 for which the authority is sought represents approximately 108 per cent. of the issued share capital of the Company as at the date of this document and approximately 70 per cent. assuming acceptance in full of the Offer. The Directors intend to exercise the said authority in respect of the issue of up to 32,078,557 New MICE Shares pursuant to the Offer, but otherwise have no present intention to exercise the authority; and

(c) the Directors will be empowered to issue equity securities (as defined by section 94(2) of the Act) for cash pursuant to the general authority conferred upon them under paragraph 4.4(b) above in substitution for all previous disapplication resolutions, as if the provisions of section 89(1) of the Act did not apply, such power being limited to the allotment of equity securities in connection with a rights issue or other pre-emptive offer to shareholders made in proportion (as nearly as may be) to their existing holdings (subject to exclusions or arrangements in relation to fractions or legal or practical problems under the laws of, or requirements of any recognised regulatory authority, in any territory) and the allotment (other than in connection with a rights issue) of equity securities for cash up to an aggregate nominal value of £181,140.23, representing 5 per cent of the Company's issued ordinary share capital as enlarged by the issue of New MICE Shares pursuant to the Offer, assuming acceptance of the Offer in full, such authority to expire at the conclusion of the next annual general meeting of the Company in 2002. The Directors do not have any present intention to exercise this authority but consider it prudent to maintain this authority.

4.5 Assuming acceptance of the Offer in full, the authorised share capital of the Company will be £5,000,000 divided into 125,000,000 Ordinary Shares, of which 90,570,115 will be issued and fully paid and 34,429,885 will remain unissued. Of the unissued share capital, a maximum of 3,465,749 Ordinary Shares are reserved for issue in respect of options granted under the Share Option Schemes (details of which are set out in paragraph 8 below).

4.6 The Company remains subject to the continuing obligations of the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 89 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the balance of the authorised but unissued share capital of the Company which is not the subject of the disapplication referred to above.

4.7 Save as disclosed in paragraphs 4.2, 6.2, 6.3 and 6.14 of this Part V:

(a) since 21 December 1998, there has been no issue of share or loan capital of the Company and no material issue of share or loan capital of any subsidiary undertaking (otherwise than intra-Group issues by wholly-owned subsidiary undertakings and pro rata issues by partly-owned subsidiary undertakings) for cash or other consideration;

(b) since 21 December 1998, no commissions, discounts, brokerages or other special terms have been granted by the Company or any subsidiary undertaking in connection with the issue, conversion or sale of any share or loan capital of the Company or any of its subsidiary undertakings; and

(c) no share or loan capital of the Company or any of its subsidiary undertakings is under option or is agreed conditionally or unconditionally to be put under option.

5. Memorandum and Articles of Association

5.1 The memorandum of association of the Company provides that the Company's principal objects are, as set out in Clause 4 of the memorandum of association, to carry on the business of a holding company, to hold stock, shares and other securities of every description and deal in the same, to co-ordinate the policy and administration of any companies of which the Company is a member, and to carry on the business of importing, manufacturing and distributing goods of every description.

5.2 The articles of association of the Company which were adopted on 23 November 1994 contain provisions, inter alia, to the following effect.

(a) Voting Rights

On a show of hands every member who is present in person or being a corporation is represented by a duly authorised representative and in each case is entitled to vote shall have one vote and upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him.

(b) Variation of class rights and changes in capital

Whenever the capital is divided into different classes of shares, all or any of the rights or privileges attached to any class of share may, subject to the provisions of the Act, be modified varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class. At any such separate general meeting (other than an adjourned meeting) the necessary quorum is two persons personally present and holding or representing either by proxy or as the duly authorised representative of a corporate member one-third of the capital paid up on the issued shares of the class in question.

The Company in general meeting may:

(i) consolidate its share capital into shares of a larger amount;

(ii) subdivide its share capital into shares of a smaller amount;

(iii) cancel any shares which have not been taken up or agreed to be taken up by any person and diminish its authorised share capital by the amount of the shares so cancelled;

(iv) increased its authorised share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe; and

(v) with the sanction of a special resolution and subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account.

(c) Dividends

Subject to any preferential or other special rights attached to any shares issued by the Company, the profits of the Company available for dividend and which the Company shall so determine to distribute by way of dividend shall be apportioned and paid to the members entitled thereto proportionately to the amounts paid up on the shares.

Any dividend unclaimed after a period of 12 years from the date such dividend is payable shall be forfeited and shall revert to the Company.

(d) Distribution of assets on winding-up

If the Company is wound up, the liquidator may, with authority of an extraordinary resolution, subject to the Act, divide among the members in specie the whole or any part of the assets of the Company and may determine how such division shall be carried out as between different classes of members (if any).

(e) Transfer

A transfer of the shares shall be effected by transfer in writing in the usual common form or in any other form approved by the board of directors of the Company. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered into the register of members in respect thereof.

The board of directors of the Company may, in its absolute discretion, and without assigning any reason therefore, refuse to register any transfer of any share (not being a fully paid share) to a person of whom it does not approve and may also refuse to register any transfer of any share (not being a fully paid share) to a person of whom it does not approve and may also refuse to register any transfer of any share (not being a fully paid share) upon which the Company has a lien. No transfer of any share shall be registered if made in favour of an infant, a person in respect of whom there exists an undischarged receiving an order of adjudication order in bankruptcy or a person who is then suffering from mental disorder and where any of the events specified in Article 104.3 have occurred in relation to him.

The Board may, in its absolute discretion, refuse to register any transfer of shares held by a member which does not appear to it to be a transfer pursuant to an arm's length sale (namely one on a recognised investment exchange) if such member or any other person appearing to be interested in such shares has been duly served with a notice under Section

212 of the Act and has failed to supply the information thereby required within 14 days or has made a statement in purported compliance therewith which, in the opinion of the board of directors of the Company, is false or misleading in any material particular, provided that the shares specified in such notice represent at least 0.25 per cent of the shares of the class to which such shares belong.

The board of directors of the Company may also decline to recognise any instrument of transfer unless it is:

(i) duly stamped, is deposited at the office at the Company's registrars or such other place as the Board may appoint, and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) in respect of only one class of share; and

(iii) in favour of not more than four transferees except in the case of executors of trustees of a deceased member.

Save as aforesaid, the articles of association contain no restrictions as to the free transferability of fully paid shares.

6. Directors' and other Interests

6.1 As at 20 December 2001 (being the latest practical date prior to the publication of this document) and following the Offer (assuming full acceptance of the Offer and no exercise of share options), the interests of Directors and persons connected with them in the issued share capital of the Company (all of which are beneficial unless otherwise indicated) which:

(a) have been notified to the company pursuant to Sections 324 and 328 of the Act; or

(b) are required to be entered in the register maintained under Section 325 of the Act; or

(c) are the interests of persons connected with a Director (within the meaning of section 346 of the Act) which would, if the connected person were a Director, be required to be disclosed under the above sections of the Act, insofar as the latter are known to, or could with reasonable diligence be ascertained by that Director, which would be required to be disclosed under (i) or (ii) if the connected person was a Director.

are as follows:

	At Present		Following the Offer	
Name of Director	No. of Ordinary Shares	% of issued share capital	No. of Ordinary Shares	% of issued share capital
Michael Curley	7,446,583[1]	12.73	7,446,583	8.22
David Pugh	–	–	–	–
James Curley	5,554,023[1]	9.49	5,554,023[1]	6.13
Peter Dillon	335,669[2]	0.57	335,669[2]	0.37
Stephen Barclay	112,454[3]	0.19	112,454[3]	0.12
The Rt. Hon Sir R. Needham	26,800	0.04	26,800	0.02
George Kadoke	–	–	–	–
John Billington	387,302	0.66	387,302	0.43

Notes:

1. The interests of MJ Curley and JRH Curley both include a holding of 3,140,295 Ordinary Shares held by MJ Curley and AJ Coombe as trustees of the Curley Family Settlement of which JRH Curley is a beneficiary. MJ Curley, as trustee, has a non-beneficial interest in those shares.

2. The interests of PM Dillon are held by a family trust of which he is a possible beneficiary.

3. 17,000 of the shares in which SJ Barclay is interested are held by the Barclay Charitable Trust of which SJ Barclay is a trustee and, accordingly, has a non-beneficial interest in those shares.

6.2 The following options have been granted to Directors for no consideration under the Company's 1997 Executive Share Option Scheme:

Name	Exercise period	No. of Ordinary Shares	Exercise Price
Michael Curley	30.05.00-29.05.04	150,000	29p
	04.06.00-03.06.04	100,000	29p
David Pugh	23.04.02-22.04.06	125,000	91p
James Curley	–	–	–
Peter Dillon	04.06.00-03.06.04	62,500	29p
Stephen Barclay	04.06.00-03.06.04	125,000	29p
The Rt. Hon. Sir Richard Needham	23.04.02-22.04.06	125,000	91p
George Kadoke	–	–	–
John Billington	04.06.00-03.06.04	12,500	29p

6.3 The Directors have the following options outstanding under the Company's SAYE Scheme:

Name	Vesting date	No. of Ordinary Shares	Subscription Price
Michael Curley	01.09.02	66,346	26p
David Pugh	31.05.04	7,854	74p
James Curley	31.05.06	22,804	74p
Peter Dillon	31.05.04	13,091	74p
Stephen Barclay	–	–	–
The Rt. Hon. Sir Richard Needham	–	–	–
George Kadoke	–	–	–
John Billington	01.09.02	13,269	26p
	31.05.06	4,560	74p

6.4 Save as set out in paragraphs 6.1, 6.2 and 6.3 above, following the Offer no Director will have any interest in the share capital of the Company or any of its subsidiaries.

6.5 In addition to their directorships of the Company and its subsidiary undertakings, the Directors hold or have held the following directorships, and are or were members of the following partnerships, over or within the past five years.

Name	Current directorships/partnerships	Previous directorships/partnerships
Michael Curley	MICE Group plc	
David Pugh	MICE Group Plc	DSL Services Limited
		PKL Holdings Limited
James Curley	MICE Group Plc	
Peter Dillon	MICE Group Plc	Park View Construction Limited
Stephen Barclay	Templeton College (OCMS)	Bessa LSE Plc
	Clink Wharf Associates Plc	Haydons Limited
	Merton of London Limited	Constellation Corporation Plc
	The Leading Edge Holdings Limited	Acecharm Limited
	The Leading Edge (Retail) Limited	The Premiere Group plc
	Merton and Falcon Limited	Marchthistle Limited
	MICE Group Plc	SWP Group Plc
	New Venture Capital Trust Limited	Fullflow Group Limited
	Travel Accessories Limited	DRC Holdings Limited
	Housemasters (West London) Limited	S.W.P. Holdings Limited
	RPH Services Limited	Gladstone Plc
	Fish plc	London School of Economics and Political Science
	Talisman First Venture Capital Trust PLC	The Institute of Jewish Policy Research
	Captain O.M. Watts Limited	Quadranet Plc
	Patersons Consulting Limited	SP Nominees Limited

Name	Current directorships/partnerships	Previous directorships/partnerships
	Rexonline Plc City Financial Associates Limited Abinger Investments plc Haydons Limited Masters Wimbledon Limited Revelation Piccadilly Holdings Plc	SP (PEP) Nominees Limited Seymour Pierce Limited SP Investments Limited (Jersey company) Seymour Pierce Nominees Limited Seymour Pierce Group Limited City and Investor Relations Limited Seymour Pierce Private Equity Limited Ten Alps Communications Plc Hardy's Fine Foods Limited
Richard Needham	Dyson Limited United Kingdom – Japan 21st Century Group Richard Needham Consultancy Limited NEC Europe Limited Meggitt Plc Stoney Hill Farms Limited Tartan Check Limited MICE Group Plc Quantum Imaging Limited Biocompatibles International Public Limited Company Nyne Plc	Stoney Hill Limited Marconi Corporation Plc TCT International Plc Icollector Plc Gleneagles Hospital (U.K.) Limited Mivan Group Holdings Limited Intermediate Equity plc Toughglass Limited Amber Medical Limited Legion Crowd Dynamics Limited Lifewatch Limited
George Kadoke	MICE Group Plc	
John Billington	MICE Group Plc	

6.6 Mr Barclay was a director of Revelation Piccadilly Holdings Plc and its subsidiaries, RPH Services Limited and Haydons Limited, to which administrative receivers were appointed on 19 March 1999. The total deficiency owing to creditors were £2,946,000, £3,458,000 and £1,134,000 respectively.

6.7 Mr Dixon was a director of Parkview Construction Limited which was the subject of a winding-up order on 18 December 1991. Administrative receivers were subsequently appointed on 2 January 1992. The total deficiency owing to creditors was £45,145.

6.8 Save as set out in paragraphs 6.6 and 6.7 above, as at the date of this document, none of the Directors named in this document:

(a) has any unspent convictions in relation to indictable offences;

(b) has been declared bankrupt or entered into an individual voluntary arrangement;

(c) was a director with an executive function of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements of that company or any composition or arrangement with its creditors generally or any class of its creditors;

(d) was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

(e) has had his assets the subject of any receivership or was a partner in a partnership at the time of or within the 12 months preceding any assets thereof being the subject of a receivership; or

(f) has been the subject of any public criticisms by any statutory or regulatory authority (including any recognised professional body) nor has ever 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.

6.9 The following table shows, in so far as it is known, the interests in Ordinary Shares amounting to 3 per cent. or more of the Company's issued share capital (other than the shareholdings disclosed in paragraph 6.1 above) both at the date of this document and as expected following the Offer assuming the Offer is fully accepted:

	At Present		Following the Offer	
Name	**No. of Ordinary Shares**	**% of issued share capital**	**No. of Ordinary Shares**	**% of issued share capital**
Citifriends Nominees Limited	1,856,089	3.17	1,856,089	2.05
HSBC Global Custody Nominee (UK) Limited	1,833,750	3.13	1,833,750	2.02

Save as set out in paragraphs 6.1 and 6.9 above, the Directors are not aware of any person who is interested directly or indirectly in 3 per cent. or more of the issued ordinary share capital of the Company.

6.10 The Directors are not aware of any person who could directly or indirectly, jointly or severally, exercise control over the Company.

6.11 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Group and which was effected by any member of the Group in the current or immediately preceding financial year of the Company or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

6.12 There are no outstanding loans granted by any member of the Group to any Director, nor has any guarantee been provided by any member of the Group for their benefit.

6.13 At 20 December 2001 (being the latest practicable date prior to the publication of this document) outstanding share options to subscribe for and awards of Ordinary Shares granted in accordance with the Rules of the Share Option Schemes were as follows:

Exercise or Vesting date	Number of Ordinary Shares under option	Exercise Price
1997 Share Option Scheme		
30.05.00 - 29.05.04	875,000	29p
23.04.02 - 22.04.06	790,000	91p
SAYE Scheme		
01.09.02	485,585	26p
31.05.04	727,322	74p
31.05.06	587,842	74p

7. Directors' Service Agreements and Terms of Appointment

7.1 (a) Michael Curley entered into a service agreement with MICE dated 9 December 1994. The agreement is terminable on at least 24 months written notice being given by either party to the other. The terms of the agreement provide for a current annual salary of £213,300 subject to an annual review and a bonus payable at the discretion of the remuneration committee. MICE also provides Mr. M. Curley with medical insurance and life assurance and provision of a suitable company car. The agreement also contains restrictive covenants by Mr. Curley which apply for a period following termination.

(b) John Billington entered into a service agreement with MICE dated 9 December 1994. The agreement is terminable on at least 24 months written notice being given by either party to the other. The terms of the agreement provide for a current annual salary of £64,000 subject to an annual review and a bonus payable at the discretion of the remuneration committee. MICE also provides Mr. Billington with medical insurance and life assurance and provision of a suitable company car. The agreement also contains restrictive covenants by Mr. Billington which apply for a period following termination.

(c) James Curley entered into a service agreement with MICE dated 9 December 1994. The agreement is terminable on at least 24 months written notice being given by either party to the other. The terms of the agreement provide for a current annual salary of £150,000 subject to an annual review and a bonus payable at the discretion of the remuneration committee. MICE also provides Mr. J. Curley with medical insurance and life assurance and provision of a suitable company car. The agreement also contains restrictive covenants by Mr. J. Curley which apply for a period following termination.

(d) David Pugh entered into a service agreement with MICE dated 31 March 2000. The agreement is terminable on at least 24 months written notice being given by either party to the other. The terms of the agreement provide for a current annual salary of £80,000 subject to an annual review. MICE also provides Mr. Pugh with medical insurance and life assurance and provision of a suitable company car. The agreement also contains restrictive covenants by Mr. Pugh which apply for a period following termination.

(e) Peter Dillon entered into a service agreement with MICE dated 1 July 2000. The agreement is terminable on at least 24 months written notice being given by either party to the other. The terms of the agreement provide for a current annual salary of £120,000 subject to an annual review. MICE also provides Mr. Dillon with medical insurance and life assurance. The agreement also contains restrictive covenants by Mr. Dillon which apply for a period following termination.

7.2 (a) Stephen Barclay was appointed a non-executive director of MICE under the terms of an agreement between Clifton Financial Associates plc and MICE dated 9 December 1994 who agreed to supply the services of Mr. Barclay in this regard. The agreement was initially for a two year fixed period but continuing thereafter until terminated by either party giving 12 months written notice. Mr. Barclay is currently entitled to an annual fee of £20,000 which is subject to increase by the remuneration committee and the Board jointly.

(b) Sir Richard Needham was appointed a non-executive director of MICE under the terms of an appointment letter dated 1 May 1998. Sir Needham is currently entitled to an annual fee of £20,000 and his appointment is terminable by either party without notice.

(c) George Kadoke was appointed a non-executive director of MICE under the terms of an appointment letter dated 12 February 2001. Mr. Kadoke is currently entitled to an annual fee of US$120,000 and a car allowance of C$19,800 per annum subject to review in December 2002 and thereafter annually. Mr Kadoke's appointment is for an initial five years, terminable on 12 months notice by either party.

7.3 Copies of the executive Directors' service agreements and the letters of appointment of the non-executive Directors will be available for inspection at the address specified in paragraph 16 below.

7.4 Save as set out in this Part V, there are no existing or proposed service agreements between any Director and any member of the Group other than agreements expiring or terminable without payment of compensation (other than statutory compensation) within one year.

7.5 The aggregate remuneration paid including the bonuses referred to above, pension fund contributions made and benefits in kind granted to the Directors during the year ended 31 December 2000 was £576,603 and for the year ending 31 December 2001 is expected to be £822,040.

7.6 The total emoluments of the Directors will not be varied as a result of the Offer.

8. Share Option Schemes

The Company has adopted the Share Option Schemes to enable MICE to grant options to acquire Ordinary Shares to selected executives and employees.

8.1 The 1997 Share Option Scheme

Part A of the 1997 Share Option Scheme was approved by the Inland Revenue under Schedule 9 to the Income and Corporation Taxes Act 1988. Part B of the 1997 Share Option Scheme is not designed for Inland Revenue approval but, save to the extent required in order to obtain and maintain Inland Revenue approval of Part A, the provisions of Parts A and B are in all material respects similar. The following is a summary of the main provisions of the 1997 Share Option Scheme:

(a) Administration

The 1997 Share Option Scheme is administered by the Committee whose decision in any dispute will be final in respect of administration matters.

(b) Grant of options

(i) Options may be granted over new shares by the Company or over existing shares by the trustee of the Employee Share Ownership Plan ("the ESOP").

(ii) Options may be granted to employees and full-time directors of the Company or any participating company (being a company nominated by the directors of which the Company has control). A director is "full-time" if he or she is required to devote at least 25 hours per week to his or her duties.

(iii) Options may be granted within 42 days following:

(a) the Company's announcement of its full year or interim results or by the issue by the Company of a prospectus or other listing particulars; or

(b) the announcement of amendments to the Income and Corporation Taxes Act 1988 or the day on which such amendments come into force; or

(c) the approval of any amendments to 1997 Share Option Scheme by the Inland Revenue

or in such exceptional circumstances as, in the opinion of the directors of the Company, justify the making of grants outside these periods.

(c) Exercise price

The exercise price will not be less than the middle market value as derived from the Daily Official List of the London Stock Exchange of a share on the dealing day preceding the date of grant or, if greater, the nominal value of a share.

(d) Individual limits

An option may not be granted to an individual under Part A of the 1997 Share Option Scheme if or to the extent that it would cause the total subscription price of shares under option to that individual under Part A and any other approved executive share option scheme established by the Company to exceed £30,000. Under Part B of the 1997 Share Option Scheme the value of options granted ten years prior to the date of grant under the 1997 Share Option Scheme and any other discretionary share option schemes shall not exceed four times the total annual remuneration.

(e) Overall limits

(i) In the preceding 10 year period not more than five per cent. and in the preceding three year period not more than three per cent. of the Company's issued ordinary share capital for the time being may be put under option under any discretionary share option scheme other than a savings-related share option scheme adopted by the Company or any other company under the Company's control.

(ii) In the preceding 10 year period not more than ten per cent. and in the preceding five year period not more than five per cent. of the Company's issued ordinary share capital for the time being may be placed under option under the 1997 Share Option Scheme and any other employee share scheme adopted by the Company or any other company under the Company's control.

(f) Variation of share capital

The exercise price of an option and the number of shares subject to an option may be adjusted to reflect capitalisation, reductions, sub-divisions, consolidation or the discount element in any rights issues, of the share capital of the Company in such manner as the Committee shall determine and, except in the event of a capitalisation, the auditors of the Company shall confirm, in writing, as being fair and reasonable. The approval of the Inland Revenue is required for adjustments to options granted under Part A. However if the variation results in the acquisition price of the share being less than its nominal value the variation can only be made if and to the extent that the Directors capitalise from the Company reserves an amount equal to the difference between the nominal value of the share and the adjusted acquisition price.

(g) Exercise of options

(i) Subject to the following sub-paragraphs, an option will only be exercisable by an individual who remains in employment with the Group and may only be exercised between the third and tenth anniversaries of the date on which the option was granted (first and seventh anniversaries under Part B).

(ii) Early exercise of an option will be permitted within time limits if an individual's employment terminates by reason of death, injury, ill-health or disability, redundancy or retirement (at the contractual retirement age provided that the option was granted more than two years previously) or in other circumstances in which the Committee consider reasonably justifies the exercise of the option,

(iii) In the event of a takeover of the Company, options may be exercised either immediately prior to and conditional upon the takeover or shortly thereafter. Alternatively, with the concurrence of the acquiring company, options holders may exchange their options for options to acquire shares in the acquiring company.

(iv) If a resolution is passed for the voluntary winding up the Company, options may be exercised within six months of the passing of such resolution.

(v) Other than those individuals leaving in circumstances set out in paragraph (ii) above, the exercise of options is conditional upon the achievement of appropriate performance targets determined by the Committee when the options are granted.

(h) Voting, dividend, transfer and other rights

(i) Until options are exercised option holders have no voting or dividend rights in respect of the shares covered by their options.

(ii) Shares issued and allotted under the 1997 Share Option Scheme following the exercise of an option will rank pari passu in all respects with the then existing shares of the same class of the Company with the exception of rights attaching by references to a record date on or before the date of allotment. The Company will make an application to the UK Listing Authority for any shares allotted under the 1997 Share Option Scheme to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading in the London Stock Exchange's market for listed securities.

(iii) Options are non-transferable.

(i) Amendments

(i) The 1997 Share Option Scheme may not be amended to the advantage of participants without the prior approval of the Company in general meeting, except for amendments to benefit the administration of the 1997 Share Option Scheme and other amendments to take account of legislative changes, or to obtain or maintain favourable tax or regulatory treatment for participants, for the Company or any other company participating in the 1997 Share Option Scheme. Amendments which adversely affect participants will require the consent of participants with the same exceptions as above.

(ii) Unless the Board decides that Part A of the 1997 Share Option Scheme should cease to be Revenue-approved no amendments to Part A shall take effect until it has been approved by the Inland Revenue.

(j) Termination

The Company in general meeting or the Board may terminate the 1997 Share Option Scheme at any time and the 1997 Share Option Scheme shall otherwise terminate on the tenth anniversary of the formal approval of Part A by the Inland Revenue. Termination will not affect subsisting rights of participants.

8.2 The SAYE Scheme

The SAYE Scheme has been approved by the Inland Revenue under Schedule 9 to the Income and Corporation Taxes Act 1988. The following is a summary of the main provisions of the SAYE Scheme:

(a) Administration

The SAYE Scheme is to be administered by the board of directors of the Company.

(b) Eligibility

Participation in the SAYE Scheme must be offered to all employees, including executive directors, of participating companies in the Group who have completed the requisite period of service. Participation may also be offered to other employees and directors of participating companies at the discretion of the board of directors of the Company. The requisite period of service, if any, is to be set by the board of directors of the Company from time to time and may not exceed five years.

(c) Grant of options

The SAYE Scheme provides for options to be granted over a period of 42 days following any of:

(i) the Company's announcement of its full year or interim results or by the issue by the Company of a prospectus or other listing particulars;

(ii) Inland Revenue approval of the SAYE Scheme or any amendment to it; and

(iii) any amendment to the Income and Corporation Taxes Act 1998 or the day on which such amendments come into force

or in such exceptional circumstances as, in the opinion of the board of directors of the Company, justify the making of grants outside these periods.

(d) Savings contract

All options must be linked to a contractual savings scheme entered into by each participant with a building society or bank. The savings contract may last for either three or five years. Participants may currently save between £5 and £250 per month (subject to scaling down if aggregate applications exceed the number of shares to be made available). The number of shares over which a participant is granted an option will be the number that can be acquired at the exercise price with the savings plus terminal bonus.

(e) Acquisition price

The price at which a participant may acquire shares pursuant to the SAYE Scheme shall not be less than 80 per cent. of the middle market quotation of a share on the invitation date or, if greater, the nominal value of a share.

(f) Exercise of options

(i) Options may normally only be exercised during the six month period following the bonus date (being the third or fifth anniversary of the commencement of the related savings contract). Options will also become exercisable for a limited period on the death of a participant or his ceasing to be an eligible employee by reason of injury, disability, redundancy or retirement.

(ii) In the event of a takeover of the Company, options may be exercised either immediately prior to and conditional upon the takeover or shortly thereafter. Alternatively, with the concurrence of the acquiring company, option holders may exchange their options for options to acquire shares in the acquiring company.

(iii) If a resolution is proposed for the voluntary winding up of the Company, options may be exercised within six months of the passing of such resolution.

(g) Voting, dividend, transfer and other rights

(i) Until options are exercised, option holders have no voting or dividend rights in respect of shares covered by their options.

(ii) Shares issued and allotted under the SAYE Scheme following the exercise of an option will rank pari passu in all respects with the then existing shares of the same class of the Company with the exception of rights attaching by reference to a record date on or before the date of allotment. The Company will make an application to the UK Listing Authority for any shares allotted under the SAYE Scheme to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's markets for listed securities.

(iii) Options are non-transferable.

(h) Amendments

(i) No amendments may be made to the SAYE Scheme to the advantage of participants without the prior approval of the Company in general meeting, except for amendments to benefit the administration of the SAYE Scheme, to take account of legislative changes or to obtain or maintain favourable tax or regulatory treatment for participant or the Company or for other members of the Group. Amendments which adversely affect participants will require the consent of the requisite majority of participants with the same exceptions as above.

(ii) Unless the board of directors of the Company decides that the SAYE Scheme should cease to be Revenue-approved, no amendment to the SAYE Scheme shall take effect until it has been approved by the Inland Revenue.

(i) Variation of capital

In the event of any capitalisation, consolidation, sub-division or reduction of the share capital of the Company or any discount element in any rights issue or other alteration of the share capital of the Company, the board of directors of the Company may (subject to Inland Revenue approval) make such adjustments as it considers appropriate and, except in the case of capitalisation, the auditors of the Company confirm in writing as being fair and reasonable, to the number of shares subject to options and the price payable on exercise of options. However, if the variation results in the acquisition price of the share being less than its nominal value the variation can only be made if the directors of the Company capitalise from the Company reserves an amount equal to the difference between the nominal value of the share and the adjusted acquisition price.

(j) Overall limit

No option may be granted under the SAYE Scheme if, as a result, the total number of Ordinary Shares issued or issuable pursuant to options granted under the SAYE Scheme and any other employee share scheme (including the 1997 Share Option Scheme) within the preceding 10 years from that date of grant exceeding 10 per cent. of the Company's issued ordinary share capital on that date.

No option may be granted under the SAYE Scheme which would result in the total number of Ordinary Shares issued or issuable pursuant to options granted under the SAYE Scheme and any other employee share schemes within 5 years prior to the date of grant exceeding 5 per cent. of the Company's issued ordinary share capital on that date.

(k) Termination

The SAYE Scheme may be terminated at any time by resolution of the Board or by the Company in general meeting and shall otherwise terminate on the tenth anniversary of the date the SAYE Scheme was approved by the Inland Revenue. Termination will not affect outstanding rights of participants.

9. Principal Establishments

The principal establishments owned or occupied by the Group are:

Location	Tenure	Area (sq m)
Westward House 155-157 Staines Road Hounslow	Freehold	1,327
Unit 1, Arley Industrial Park Colliers Way Spring Hill Arley Coventry	Freehold*	3,522

* This property is currently held under a lease but contracts have been exchanged to acquire the freehold with completion due to take place on 2 January 2002.

10. Taxation

The following statements are intended only as a general guide to current United Kingdom tax legislation and to the current practice of the United Kingdom Inland Revenue (the "Inland Revenue") and may not apply to certain shareholders, such as dealers in securities. Any person who is in any doubt as to his tax position is strongly recommended to consult his professional advisers immediately. No tax will be withheld by the Company when it pays dividends under current UK tax legislation.

The United Kingdom taxation implications relevant to the receipt of dividends on Ordinary Shares are as follows:

(a) **Tax Treatment of the Company**

Under current United Kingdom legislation the Company is not required to withhold tax at source from dividend payments.

(b) **Tax Treatment of United Kingdom Individual Shareholders**

Individual Shareholders who are resident for tax purposes in the United Kingdom should generally be entitled to a tax credit in respect of any dividend received equal to one ninth of the amount of the dividend. Such an individual Shareholder's liability to UK income tax is calculated on the sum of the dividend and the tax credit (the "gross dividend") which, together with other investment income, will be regarded as the top slice of the individual's income. The rates of income tax to which such income will be subject are set out below.

The tax credit equals 10 per cent of the gross dividend. It will be available to offset such a Shareholder's liability (if any) to income tax on the gross dividend.

Individual Shareholders whose total income is such that they are liable to income tax at the basic rate or at a rate which is lower than the basic rate will be liable to tax on the gross dividends at the rate of ten per cent. This means that the tax credit will satisfy the income tax liability of such a Shareholder and no further tax will be payable on the dividend received.

Individual Shareholders who are liable to income tax at the higher rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. After taking into account the ten per cent tax credit, this means that a higher rate taxpayer will be liable to additional income tax of 22.5 per cent of the gross dividend, equal to 25 per cent of the net dividend received. For example, a higher rate Shareholder receiving a dividend of £90 will be treated as having gross income of £100 (the net dividend of £90 plus a tax credit of £10) and, after allowing for the tax credit of £10, will have a further income tax liability of £22.50 on the dividend.

The same procedure applies for UK resident trustees save that the trust rate of 25 per cent (as opposed to 32.5 per cent) applies.

With limited exceptions (related to shares held in individual savings accounts or personal equity plans prior to 6 April 2004), individual Shareholders who are resident in the United Kingdom cannot claim repayment of the tax credit from the Inland Revenue.

(c) **Tax treatment of United Kingdom Resident Corporate Shareholders**

A corporate Shareholder resident for tax purposes in the United Kingdom will not normally be liable to corporation tax on any dividend received.

(d) **Tax Treatment of United Kingdom Resident Pension Funds**

Pension funds cannot reclaim from the Inland Revenue tax credits attached to dividend payments made to them by the Company.

(e) **Non-United Kingdom Resident Shareholders**

Individual Shareholders who are resident for tax purposes outside the United Kingdom, but who are Commonwealth citizens, European Economic Area nationals, residents of the Isle of Man or the Channel Islands or certain other persons will normally be entitled to a tax credit, as if they were resident for tax purposes in the United Kingdom, which they may set off against their total United Kingdom income tax liability. Such Shareholders will generally not be able to claim repayment of the tax credit from the Inland Revenue.

Other Shareholders who are resident for tax purposes in countries other than the United Kingdom should consult their own tax advisers concerning their tax liabilities on dividends received. They should note that, following the reduction in the rate of the United Kingdom tax credit to one-ninth of the dividend received with effect from 6 April 1999, they are unlikely to be entitled to any payment from the Inland Revenue under any double tax treaty agreement.

Liability to UK taxation of chargeable gains will depend upon the individual circumstances of shareholders.

(a) **Acquisition of New MICE Shares**

An Expocentric Shareholder who, either alone or together with persons connected with him, does not hold more than 5 per cent of Expocentric Shares should not be treated as making a disposal of his Expocentric Shares for the purposes of UK taxation of chargeable gains to the extent that he receives New MICE Shares in exchange for his Expocentric Shares pursuant to the Offer. Any chargeable gain or allowable loss which would otherwise have arisen on a disposal of his Expocentric Shares will be "rolled over" into his New MICE Shares and the New MICE Shares will be treated as the same asset as his Expocentric Shares, acquired at the same time and for the same consideration as his Expocentric Shares.

Where an Expocentric Shareholder, either alone or together with persons connected with him, holds more than 5 per cent of Expocentric Shares, the treatment afforded to Expocentric Shareholders described above will apply unless the exchange of Expocentric Shares for New MICE Shares is effected for other than bona fide commercial reasons and/or forms part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax. An application for clearance from the Inland Revenue under section 138 of the Taxation of Chargeable Gains Act 1992 that a transaction has not been effected for such purposes will be made in due course. However, the Company does not believe and has no reason to believe that the exchange of shares by such Expocentric Shareholders will be treated by the Inland Revenue as being effected for other than bona fide commercial reasons, nor that the exchange will form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to capital gains tax or corporation tax.

(b) **Disposal of New MICE Shares**

A subsequent disposal of all or any of the New MICE Shares by an individual or corporate shareholder may result in a liability to UK taxation in respect of chargeable gains, depending on the particular circumstances of the shareholder concerned.

Any person who is in any doubt as to his tax position or requires more detailed information than the general outline above or who is subject to tax in a jurisdiction other than the United Kingdom should consult his professional advisers.

11. Working Capital

The Company is of the opinion that, having regard to the available bank and other facilities, the working capital available to the Enlarged Group is sufficient for its present requirements that is, for at least the next 12 months from the date of this document.

12. Significant Change

12.1 There has been no significant change in the financial or trading position of the Group since 30 June 2001, the date to which the Group's last unaudited interim financial statements were prepared.

12.2 There has been no significant change in the financial or trading position of the Expocentric Group since 30 September 2001, the date to which the Expocentric Group's last unaudited interim financial statements were prepared.

13. Litigation

13.1 Neither the Company nor any of its subsidiary undertakings is or has been engaged in any legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position nor, so far as the Company is aware, are any such proceedings pending or threatened against or by the Company or any of its subsidiary undertakings.

13.2 Neither Expocentric nor any of its subsidiary undertakings is or has been engaged in any legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Expocentric Group's financial position nor, so far as the Company is aware, are any such proceedings pending or threatened against or by Expocentric or any of its subsidiary undertakings.

14. Material Contracts

14.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by any member of the Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the Group and contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of document:

(a) An agreement dated 14 December 1998 between (1) Lloyds Development Capital Limited and others and (2) the Company, whereby the Company acquired the entire issued share capital of Marler Haley Limited for a cash consideration of £948,000 payable in instalments over a three year period.

(b) An offer dated 23 June 2000 pursuant to which the Company acquired the entire issued share capital of City Conference Services plc for a cash consideration of £2,500,000.

(c) An agreement dated 26 June 2000 between (1) Peter James Shepherd and Martin John Shepherd, (2) Joyce Katherine Shepherd and (3) the Company, whereby the Company acquired the entire issued share capital of Essanby Limited for a cash consideration of £550,000, subject to adjustment following the preparation of completion accounts. The agreement also contained certain restrictive covenants from the other parties in favour of the Company and certain warranties from MJ Shepherd.

(d) An agreement dated 30 August 2000 between (1) John Bernard Csaky ("JB Csaky"), (2) the Company and (3) John Csaky Associates Limited ("JCA"), whereby the Company acquired 76 per cent. of the issued share capital of JCA for a cash consideration of £242,600.

(e) An agreement dated 30 August 2000 between (1) JB Csaky and (2) the Company whereby the Company was granted an option exercisable between 31 March 2003 and 31 December 2006 to acquire the remaining 24 per cent. of the issued share capital of JCA at a price to be determined in accordance with a formula in the agreement relating to the post-tax profits of JCA for the two years ending 31 December 2002.

(f) An agreement dated 8 September 2000 between (1) the Company, (2) Kevin John Wood and others ("Vendors"), whereby the Company acquired 76% of the issued share capital of Opus Creative Marketing Limited ("Opus") for the initial consideration of £769,247 which was satisfied as to £139,422 in cash and as to the balance by the issue of 413,000 Ordinary Shares. On each anniversary of the date of the agreement up to and including the fifth anniversary, Kevin Wood is entitled in respect of certain of the shares in Opus sold by him to the Company subject to Mr. Wood complying with certain obligations in the agreement, to deferred consideration by way of the issue of Ordinary Shares to the value of £100,000 determined on the average closing share price of Ordinary Shares during two weeks immediately preceding the relevant anniversary date. Following the announcement to the London Stock Exchange of the Company's profits for the year ending 31 December 2002, the Vendors (other than Mr. Wood) can elect at any time to exchange the remaining shares held by them in Opus for Ordinary Shares, such number of shares to be determined on the basis of a formula set out in the Agreement. In the event that any such election of the Vendors (other than Mr. Wood) is declined by the Company, they are entitled to receive the cash value of the shares retained by them in Opus again on the basis of a formula set out in the agreement. The agreement contains certain warranties, restrictive covenants and indemnities by the Vendors in favour of the Company.

(g) An agreement dated 30 January 2001 between (1) Stavening Properties Limited and Ramogan Limited (together the "Vendors") and (2) the Company, whereby the Company acquired the entire issued share capital of Leighbrook Limited for cash consideration £2,525,000. The agreement contained certain warranties, restrictive covenants and indemnities by the Vendors in favour of the Company.

(h) An agreement dated 17 April 2001 between (1) the Company, and (2) Robert Fleming Nominees Limited ("Vendor") whereby the Company acquired 76 per cent. of issued share capital of Grant Leisure Limited ("Grant Leisure") and certain loans made by the Vendor to Grant Leisure to the value of £625,000 plus accrued interest and costs at the date of the agreement for an initial consideration of £4 in cash with additional consideration payable to the Vendor on the basis of an earn out formula contained in the agreement, such additional consideration to be satisfied, at the discretion of the Vendor, either in cash or in Ordinary Shares ("RF Agreement"). The Vendor has agreed in respect of any Ordinary Shares that they may receive as additional consideration not to sell or dispose of them save in limited circumstances, prior to 31 March 2003.

(i) An agreement dated 17 April 2001 between (1) Andrew Young ("Vendor") and (2) the Company in respect of a £2,000,000 interest-free loan by the Company to Grant Leisure, following the acquisition by the Company of 76 per cent. of the issued share capital of Grant Leisure pursuant to the RF Agreement referred to in paragraph 14.1(h) above. Under an earn out provision contained within the agreement, the Vendor is entitled to elect during the period ending three months after the announcement to the London Stock Exchange of the profits of the Company for each of the years ending 31 December 2002, 2003, 2004 and 2005 respectively or if the Company is not listed on an exchange after the audited accounts have been received by the Vendor to elect to either exchange his remaining shares in Grant Leisure for a certain number of shares in the Company ("Right of Election") such number calculated according to an earn out clause contained in the agreement. If the Vendor fails to exercise his Right of Election within the relevant period, the Company can acquire his shares in Grant Leisure for cash in accordance with an earn out formula contained in the agreement. In addition, the Vendor is entitled at any time to sell his retained shares in Grant Leisure to the Company for cash consideration to be determined in accordance with an earn out formula contained in the agreement. Whilst the Vendor owns 24% of the issued shares in Grant Leisure, the Company has agreed to certain obligations and to observe certain restrictions in respect of Grant Leisure. The agreement contains certain warranties by the Vendor in favour of the Company.

(l) An agreement dated 17 April 2001 between (1) the Company and (2) Grant Leisure pursuant to which the Company made a secured interest-free loan (subject to the terms of repayment being complied with) of £2,000,000 to Grant Leisure.

(m) An agreement dated 18 December 2001 entered into between (1) MICE and (2) Expocentric whereby Expocentric agreed, as an inducement for and in consideration of MICE carrying out work with a view to announcing an offer, to pay MICE the sum of £314,000 or such amount as shall not exceed 1 per cent. of the value of the Offer (inclusive of VAT) in the event that:

   (i) following the announcement of the Offer, the Expocentric Directors subsequently withdraw or adversely modify their recommendation to Expocentric Shareholders to accept the Offer and thereafter the Offer lapses or is withdrawn according to its terms; and

   (ii) Expocentric is in breach of the non-solicitation undertaking which it has given to MICE.

(n) The irrevocable undertakings to accept the Offer referred to in Part I of this document.

14.2 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by any member of the Expocentric Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the Expocentric Group and contain provisions under which any member of the Expocentric Group has an obligation or entitlement which is, or may be, material to the Expocentric Group as at the date of document:

(a) An agreement dated April 2000 between (1) Expocentric.com and (2) Superscape Limited ("Superscape") for Expocentric.com to develop a 3 dimensional interactive exhibition forum product under which Superscape provides development and consultancy services. This agreement provides for the development of 3 dimensional software. This software has now been integrated into a software package to enable Expocentric.com to run virtual exhibitions. There are two main components of the project consisting of:

   (i) the development of the 3D interactive areas of the virtual exhibitions; and

   (ii) the development of a "Stand Wizard". This is the software which allows exhibitors to load stands into virtual halls. Although this software is owned by Superscape, Expocentric.com is the owner of the UK registered trademark "Stand Wizard".

Under the terms of this agreement, Superscape delivered the software to Expocentric.com on 1 May 2000, and provided a perpetual, non-exclusive licence for the software to Expocentric.com., Expocentric.com agreed to test the software to ensure that it conformed to the design specification and to pay the agreed development fees (the sum of £949,000 over a period from November 1999 until June or September 2000 depending on the delivery time of the software).

Superscape has exercised an option which has resulted in it holding 960,000 Expocentric Shares. Superscape's aggregate liability is limited to 1.25 times the Development Fee. Both parties have agreed to indemnify the other against any infringement of third party intellectual property rights arising from use of the software or any designs or layouts arising from its use.

By an agreement dated 6 November 2000, the development agreement referred to above has been amended as described in paragraph 14.2(k) below.

(b) A software licence agreement between (1) Expocentric.com and (2) Superscape Limited ("Superscape") under which Superscape grants a non-exclusive, non-transferable licence to users (ie, third party users of the software referred to Superscape by Expocentric.com) to use the bespoke interactive 3 dimensional exhibition stand software. Expocentric.com has an exclusive right to procure licensees to use the software, essentially as agent for Superscape, but Superscape has reserved the right to refuse to grant any licence, provided that such refusal is based on reasonable grounds.

Each licence is stated to be perpetual subject to the terms of the licence being granted (ie, the licence essentially lasts as long as required under each licence or request from Expocentric.com), unless the agreement is terminated by Superscape as a result of Expocentric.com committing a material breach which is not remedied within 30 days of written notice to do so or unless the agreement is terminated by Expocentric.com at any time. There are no change of control termination provisions. All intellectual property rights in their software are expressly reserved to Superscape plc.

The obligations of Expocentric under this licence are to use its reasonable commercial sales and marketing efforts to procure licensees to use the software (including conducting promotion and marketing of the software); to collect licence fees payable by each licensee; to be responsible for the packaging and delivery of the software to licensees; to be the point of contact for complaints from licensees and to keep Superscape informed of such problems; to ensure that all licensees arranged on behalf of Superscape are substantially on previously agreed terms with Superscape; and to report to Superscape on any changes in site organisation of any licensee of which it is aware.

Each party indemnifies the other from and against any loss, damage or liability suffered by the other party as a result of a breach of the agreement. Superscape further indemnifies Expocentric.com from and against any loss, damage or liability suffered by licensees as a result of a licence or use of the software or suffered by any third party, both party's liability for indirect and consequential losses have been excluded and each party's liability for direct losses has been limited to £1 million.

(c) A software licence and services agreement dated 23 November 1999 between (1) Expocentric.com and (2) Oracle Corporation UK Limited ("Oracle") under which Oracle provides software for the back end of Expocentric's software product and design and build services. Under the terms of the agreement, Oracle grants Expocentric a perpetual, non-exclusive licence to use the software programs specified in an Order Form. The software programs can only be used on the system designated on an Order Form or a backup system. Expocentric.com is not entitled to reverse engineer, disassemble, decompile or adapt the software, but may order technical support, consultancy or training services. There are no forms to indicate that any services have been ordered.

Oracle has limited its liability for consequential losses and in any case limit their liability to the greater of the fees paid for any licence or services or £300,000. Oracle indemnifies Expocentric for all sums payable as compensation in respect of accidental loss of or damage to Expocentric's tangible property caused by Oracle's employees up to £500,000.

(d) A software licence agreement dated 6 December 1999 between (1) Expocentric.com and (2) Blaxxun Interactive AG ("Blaxxun") under which Blaxxun provides software which enables users to interact with one another. Under the terms of the agreement, Blaxxun grants Expocentric a non-exclusive non-transferable licence to use the following software: "Blaxxun Community Manager" and "Agent Manager". There is no expressed term. The licence will terminate if Expocentric violates a major obligation under the agreement, e.g. the payment of licence fees or the non-observance of limits placed on the scope of the licence. Expocentric may not decompile the software.

Blaxxun is liable for any damage to Expocentric only insofar as it is caused by wilful or grossly negligent act of Blaxxun or its agents. Blaxxun is liable for any breach of "material contractual duty" as far as such damage is foreseeable.

(e) A project management and software development agreement dated 6 December 1999 between (1) Expocentric.com and (2) Blaxxun Interactive AG pursuant to which, Blaxxun developed bespoke software for multi-user communities which has been integrated into software provided by Expocentric. The integration involved the following elements:

(i) community server installation;

(ii) firewall configuration;

(ii) viscape 3D chat integration;

(iv) oracle database integration;

(v) member specific vcards;

(vi) project management; and

(vii) any additional consultancy.

Expocentric agreed to provide support to Blaxxun Interactive AG when requested, and to deliver a specification and standard software.

(f) An agreement for configuration between (1) Expocentric.com and (2) Horizon Open Systems UK ("Horizon"), pursuant to which Horizon has designed, developed, and implemented technical infrastructure and end to end e-business solutions for Expocentric's networked economy. The configuration was dated 21 January 2000. It set out various hardware and support services that were provided in three stages but did not provide a timescale for delivery. The total price for all three phases is £934,372.

Horizon has granted to Expocentric.com a non-exclusive, non-transferable, revocable licence to use the bespoke software (which is comprised within the goods) solely and exclusively as part of the goods supplied and shall not make any copies nor modify, vary or in any way interfere with such software. Horizon retains all intellectual property rights in the software.

Horizon may terminate any agreement that it has with Expocentric.com in the event that Expocentric.com:

(i) defaults in or commits a breach of these terms and conditions or any of its obligations to Horizon;

(ii) makes any arrangement with its creditors;

(iii) is wound up or any resolution or petition to wind up is made;

(iv) become insolvent; or

(v) has a receiver appointed over any of its assets.

(g) A placing agreement dated 4 September 2000, between (1) Investec Henderson Crosthwaite a division of Investec Bank (UK) Limited ("Investec") (2) Expocentric and (3) the directors of Expocentric, pursuant to which Investec agreed to use its reasonable endeavours to procure subscribers for ordinary shares of 10p each in Expocentric.com ("Private Placing Shares") at a private placing price of 5090p per share and Expocentric agreed to allot the Private Placing Shares to placees procured by Investec ("the Private Placing"). Investec was paid a fee for its services in connection with the Private Placing equivalent to approximately 5 per cent. of the aggregate value of the Private Placing Shares at the private placing price and this fee was satisfied in full by the allotment of an equivalent number of new ordinary shares of 10p each in Expocentric.com, which were issued at the private placing price. Investec was also granted an option ("the Investec Option") to subscribe for further new ordinary shares equal to one per cent. of the total number of Private Placing Shares. The price payable for these new ordinary shares on exercise of the Investec Option is a price equivalent to the private placing price per share, subject to adjustment in certain circumstances.

Pursuant to the placing agreement, Expocentric and the directors of Expocentric gave certain warranties and indemnities to Investec regarding Expocentric and its financial and trading position.

Investec has also agreed to exchange the Investec Option for an option over an equivalent number of Expocentric Shares.

(h) An agreement dated 7 November 2000 between (1) Investec (2) Expocentric and (3) the directors of Expocentric, pursuant to which Investec agreed to use reasonable endeavours to procure subscribers for new Expocentric Shares ("Placing") at a price of 192p per share ("Issue Price").

Pursuant to the Placing Agreement Expocentric and the directors of Expocentric gave certain warranties and indemnities to Investec regarding Expocentric and its financial and trading position.

Under the placing agreement, Expocentric paid Investec a fee in connection with its advice to Expocentric relating to the application for admission and its underwriting of the issue of the new Expocentric Shares equivalent to 5 per cent. of the value of the new Expocentric Shares at the Issue Price. In addition, Expocentric granted to Investec an option to subscribe for further Expocentric Shares equal to 1 per cent. of the total number of Expocentric Shares allotted pursuant to the Placing. The price payable for further Expocentric Shares on exercise of this option is a price equivalent to the Issue Price, subject to adjustment in certain circumstances.

Pursuant to the Placing Agreement, the directors of Expocentric undertook that they would not dispose of Expocentric Shares held by them on admission of the Expocentric Shares to the Official List ("Expocentric Admission") without the consent of Investec throughout the period from Expocentric Admission until the date of publication of the preliminary results of Expocentric for the year ended 31 December 2001. The restrictions in the placing agreement on the sale, transfer or other disposal of Expocentric Shares or interests in Expocentric Shares by the directors of Expocentric does not prevent acceptance of a general offer made for all of the issued share capital of Expocentric.

(i) Deeds were entered into on dates between 27 September 2000 and 2 November 2000 between each of (1) Expocentric, (2) Expocentric.com and (3) Expocentric Shareholders holding 95 per cent. of the total issued share capital of Expocentric.com (at the date of the deeds) which are all in an identical form and provided for the implementation of a reorganisation of Expocentric.com. Pursuant to the reorganisation deeds, each shareholder agreed to exchange all the ordinary shares held by them in Expocentric.com on a one-for-one basis for ordinary shares of 10p in Expocentric (which ordinary shares of 10p each were then subdivided into Expocentric Shares). A separate letter was sent to holders of options granted by Expocentric.com together with a roll-over election form providing for the exchange of options to acquire shares in Expocentric.com granted under Expocentric.com Executive Share Option Scheme for options to acquire the shares in Expocentric under the Unapproved Share Option Scheme.

(j) Deeds of agreement dated variously 23 October 2000, 27 October 2000 and 3 November 2000 ("the Lock-in Agreements"), between (1) Investec and (2) Expocentric and (3) certain key employees, under which certain key employees agreed with Expocentric and with Investec that they would not dispose of any Expocentric Shares held by them on Expocentric Admission during the period from Expocentric Admission until publication of the preliminary results of Expocentric for the period ending 31 December 2001 without the prior consent of Investec Henderson Crosthwaite. The Lock-in Agreements are subject to the same exclusions as those entered into by the directors of Expocentric pursuant to the placing agreement referred to in paragraph (h) above and the Lock-in Agreements are in respect of a total of 18,100,823 Expocentric Shares which represented approximately 30.97 per cent. of Expocentric's issued ordinary share capital immediately following Expocentric Admission.

Superscape plc, one of Expocentric's key technical partners (who immediately after Expocentric Admission held 2,036,960 Expocentric Shares) gave an undertaking to Expocentric that it would not dispose of any of the Expocentric Shares which it held on Expocentric Admission for a period of one year from Expocentric Admission and thereafter has agreed to advise Investec prior to disposing of any Expocentric Shares and to behave responsibly in the aftermarket whilst it remains substantial shareholder.

Simon and Anne Notley (who immediately after Expocentric Admission held 1,600,000 Expocentric Shares) gave an undertaking to Expocentric that they would advise Investec Henderson Crosthwaite prior to disposing of any Expocentric Shares for the period from Expocentric Admission until the announcement of the final results for the 12 months ending 31 December 2001. In addition, Simon and Anne Notley have indicated that they will behave responsibly in the aftermarket, while they remain a substantial shareholder.

(k) By an agreement dated 6 November 2000 between (1) and (2) Superscape (UK) Limited ("Superscape UK"), Expocentric.com has been granted certain exclusive rights to use Superscape UK 3D software. The agreement provides that:

(i) The non-exclusive rights granted to Expocentric.com, to use the 3D software developed by Superscape UK for Expocentric.com under the development agreement described in paragraph 14.2(a) above, have been converted into an exclusive right to use this software product for a period which continues until 1 July 2003 at the earliest, and which can be terminated on or after this date by either Expocentric.com or Superscape UK ("Exclusivity Period"). After expiry of the Exclusivity Period, the licence to use the software becomes a perpetual, non-exclusive licence;

(ii) Superscape UK has granted an exclusive, worldwide licence to Expocentric.com for the duration of the Exclusivity Period for it to use any other 3D software developed by Superscape plc in addition to the software referred to in paragraph (i) for the purposes of developing a virtual exhibition product and for providing virtual exhibition services, together with an exclusive right for Expocentric.com to permit its customers to use the software for the purpose of accessing and navigating around the virtual exhibitions. After expiry of the Exclusivity Period, the licence to use Superscape UK 3D software becomes a perpetual, non-exclusive licence;

(iii) During the Exclusivity Period, Superscape UK has agreed that it will not market, sell or otherwise supply to any person other than Expocentric.com any Superscape UK 3D software or solutions for use in connection with the provision of, or for the gaining of access to, virtual exhibition services. Superscape UK has also agreed that it will not, during the Exclusivity Period, develop a software solution using any Superscape UK 3D software for any person other than Expocentric.com for use in providing or obtaining access to virtual exhibition services. After expiry of the Exclusivity Period, the licence to use Superscape UK 3D software becomes a perpetual, non-exclusive licence;

(iv) All intellectual property rights in Superscape UK 3D software licensed by Expocentric.com will remain vested in Superscape UK.

Superscape UK is entitled to charge commercially reasonably licence fees to Expocentric.com for any future software products delivered by Superscape plc to Expocentric.com.

As consideration for the grant of the exclusive rights referred to above, Superscape plc is entitled to the following payments:

(i) For the Exclusivity Period, 2 per cent of Expocentric's gross, annual worldwide consolidated revenues derived from the provision of Expocentric.com of virtual exhibition services and any other services provided by Expocentric.com which utilise and deploy Superscape UK 3D software, subject to a minimum payment in each 12 month period of £100,000 (excluding VAT); and

(ii) The allotment for payment by Superscape plc at nominal value of 1,076,960 Expocentric Shares in the capital of Expocentric pursuant to a subscription agreement entered into on 6 November 2000.

In addition, Expocentric.com has agreed that during the Exclusivity Period it will not (with the exception of software provided by Oracle Corporation and/or Blaxxun Interactive AG) licence any 3D software or solutions which are competitive with Superscape plc developed 3D software for use in connection with the provision by Expocentric.com of virtual exhibition services. Expocentric.com's exclusivity commitment to Superscape plc will terminate in the event that, at any time during the Exclusivity Period, Superscape plc's current software products do not provide comparable functionality to that of alternative software or solutions available on the market which could be used by Expocentric.com, or the prices charged by Superscape plc to Expocentric.com for development services or licence fees cease to be comparative in the market place.

(l) A share purchase agreement dated 1 August 2001 between (1) Expocentric, (2) Shareholders ("Vendors") of Expoplanet ABC ("Expo") and the Guarantors (as defined therein) which relates to the acquisition by Expocentric of the entire issued share capital of Expo for an initial consideration of £60,370 and 2,500,000 Expocentric Shares. The Agreement provides for additional consideration to be paid, at the option of Expocentric, in cash or by the issue of further shares in Expocentric, provided that the aggregate revenue earned by Expocentric during the period from completion to 31 December 2001 and for the period during completion to 31 December 2002 exceeds £150,000 in each relevant period and, provided that the additional consideration shall not exceed in any event £500,000 or exceed such number of ordinary shares of Expocentric as is equal to 10 per cent. of the issued ordinary shares of Expocentric at the date of the relevant period. The Agreement contains no termination provisions or change of control provisions entitling the vendors to repurchase Expo Shares upon a change of control of Expocentric.

(m) An option agreement to subscribe for shares in Expocentric dated 6 November 2000 between (1) Investec and (2) Expocentric ("Option Agreement") whereby Investec were granted an option to subscribe for 83,648 Expocentric Shares at a subscription price of £1.59 per share in exchange for the surrender of an existing option they had over ordinary shares of 10p each in Expocentric. Such option being exercisable from 4 September 2000 and ending on the fifth anniversary of the option agreement.

(n) The agreement referred to in paragraph 14.1(m) above.

15. General

15.1 Ernst & Young has given and has not withdrawn its written consent to the issue of this document with the inclusion of its letter set out in Part IV and the references to its letter and its name in the form and context in which they are respectively included and have authorised the contents of its letter for the purposes of regulation 6(1)(e) of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001.

15.2 City Financial Associates has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to it in the form and context in which they appear.

15.3 Beeson Gregory has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to it in the form and context in which they appear.

15.4 The financial information concerning the Group contained in this document does not constitute statutory accounts within the meaning of section 240(5) of the Act. Hart Shaw, Chartered Accountants and Registered Auditors of 346 Glossop Road, Sheffield, S10 2HW has audited the Group's accounts for the last three financial years and have made reports under section 235 of the Act upon the statutory accounts of the Group in respect of the years ended 31 December 1998, 1999 and 2000 which were unqualified and did not contain statements under section 237(2) or (3) of the Act. The statutory accounts for the Group for the year ended 31 December, 2000 have been delivered to the Registrar of Companies in England and Wales in accordance with section 242 of the Act.

15.5 The price of 95p per Ordinary Share being issued pursuant to the Offer represents a premium of 91p over the nominal value of 4p per Ordinary Share.

15.6 Save under the terms of the Offer, the New MICE Shares have not been sold, nor are available in whole or in part, to the public in conjunction with the application for listing.

15.7 The total costs, charges and expenses payable by the Company in connection with the Offer are estimated to amount to £938,000 (exclusive of VAT).

15.8 Set out below are the closing middle market quotations for an Ordinary Share on the first dealing day in each of the preceding six months and on 19 December 2001 (being the latest dealing day prior to the announcement of the Offer) and on 20 December 2001 (the latest practicable date prior to the publication of this document) as extracted from the London Stock Exchange Daily Official List:

Date **2001**	**Price (p)**
2 July	87.0
1 August	84.0
3 September	78.5
1 October	62.5
1 November	77.5
3 December	93.5
19 December	95.0
20 December	80.5

16. Documents For Inspection

Copies of the following documents may be inspected at the offices of Nabarro Nathanson, Lacon House, Theobald's Road London WC1X 8RW during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) whilst the Offer remains open for acceptance:

16.1 the Memorandum and Articles of Association of the Company;

16.2 the audited consolidated accounts of the Company and its subsidiary undertakings for the two years ended 31 December 2000;

16.3 the audited consolidated accounts of Expocentric and its subsidiary undertaking for the two years ended 31 December 2000;

16.4 the unaudited interim results of MICE and Expocentric respectively for the six months ended 30 June 2001;

16.5 the unaudited quarterly results of Expocentric for the nine months ended 30 September 2001;

16.6 the unaudited proforma statement of net assets of the Enlarged Group and the letter from Ernst & Young relating thereto as set out in Part IV of this document;

16.7 the service agreements referred to in paragraph 7 above;

16.8 the rules of the Share Option Scheme referred to in paragraph 8 above;

16.9 the material contracts referred to in paragraph 14 above;

16.10 the written consents referred to in paragraph 15 above;

16.11 the irrevocable undertakings given to vote in favour of the Resolutions and to accept the Offer, as referred to in Part I of this document; and

16.12 the Offer Document.

Date: 21 December 2001

PART VI

Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

"Act"	The Companies Act 1985 (as amended)
"Admission"	the admission of the New MICE Shares to the Official List and to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Listing Rules and the Standards and the Rules of the London Stock Exchange
"Beeson Gregory"	Beeson Gregory Limited
"Board" or "Directors"	the directors of MICE
"Business Day"	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business
"City Financial Associates" or "CFA"	City Financial Associates Limited
"Circular"	this document dated 21 December 2001 and comprising listing particulars relating to MICE Group plc prepared in accordance with the Listing Rules made under section 74 of the Financial Services and Markets Act 2000
"CREST"	the system for the paperless settlement of trades in listed securities of which CRESTCo Limited is the operator
"Expocentric"	Expocentric Plc
"Expocentric Directors"	the directors of Expocentric
"Expocentric Group"	Expocentric and its subsidiary undertakings
"Expocentric Shares"	the ordinary shares of 0.3125 pence each in Expocentric
"Expocentric Shareholders"	holders of Expocentric Shares
"Enlarged Group"	the MICE Group as enlarged by the acquisition of Expocentric
"Extraordinary General Meeting"	the extraordinary general meeting of MICE convened for 11.00 a.m. on Monday 14 January 2002, the notice of which is set out at the end of this document
"Form of Proxy"	the form of proxy accompanying this document for use by Shareholders in respect of the Extraordinary General Meeting
"Listing Rules"	the rules and regulations of the UK Listing Authority (as amended from time to time), made under Part VI of the Financial Services and Markets Act 2000
"London Stock Exchange"	London Stock Exchange plc
"MICE Group" or "Group"	MICE and its subsidiary undertakings
"MICE" or the "Company"	MICE Group plc
"New MICE Shares"	up to 32,078,557 new Ordinary Shares to be issued pursuant to the Offer
"Offer"	the recommended offer made by CFA on behalf of MICE to acquire the entire issued share capital of Expocentric not already owned by MICE, the principal terms and conditions of which are set out in the Offer Document
"Offer Document"	the document despatched, inter alia, to Expocentric Shareholders setting out the terms of the Offer
"Official List"	The Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 4 pence each in MICE
"Panel"	the Panel on Takeovers and Mergers
"Receiving Agent"	Connaught St. Michael's Limited
"Resolutions"	the resolutions to be proposed at the Extraordinary General Meeting
"SAYE Scheme"	The MICE Group plc Savings-Related Share Option Scheme
"1997 Share Option Scheme"	The MICE Group plc 1997 Executive Share Option Scheme

"Share Option Schemes"	the SAYE Scheme and the 1997 Share Option Scheme
"Shareholders"	the holders of Ordinary Shares
"Standards"	the requirements contained in the publication "Admission and Disclosure Standards", issued by the London Stock Exchange containing, inter alia, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's market for listed securities as amended from time to time
"UK Listing Authority"	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland

MICE GROUP PLC

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the offices of Nabarro Nathanson at Lacon House, Theobald's Road, London WC1X 8RW at 11.00 a.m. on Monday 14 January 2002 for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 as a special resolution:

1. THAT:

   (a) the offer by the Company to acquire the whole of the issued and to be issued ordinary share capital of Expocentric plc (the "Offer") on the terms and subject to the conditions contained in the offer document issued on behalf of the Company dated 20 December 2001, a copy of which has been produced to the Meeting and signed for the purposes of identification by the Chairman of the Meeting (the "Offer Document") (or on the terms of any additional or other offer or offers approved by the directors or a committee of the directors of the Company, including any non-material amendment, variation, waiver, revision or extension of the Offer, as originally made or as subsequently amended, varied, waived, revised or extended) and the entering into and performance of such acts, agreements or arrangements in connection with the Offer as the directors or any committee of the directors of the Company may consider necessary or desirable in connection with the Offer, be and are hereby approved;

   (b) subject to and conditional upon the Offer becoming or being declared unconditional in all respects (other than as regards any condition of the Offer relating to either the passing of this resolution or the admission to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange's market for listed securities of new ordinary shares of 4p each of the Company to be issued in connection with the Offer becoming effective);

      (i) the authorised share capital of the Company be and is hereby increased from £4,000,000 to £5,000,000 by the creation of an additional 25,000,000 new ordinary shares of 4p each; and

      (ii) in substitution for any existing authority granted by the Company (save to the extent the same may already have been exercised), the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to the aggregate nominal amount of £2,530,000 which authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2002, provided that the Company may at any time before such expiry make offers or agreements which would or might require relevant securities in pursuance of any such offer or agreement after such expiring and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. THAT, conditional on the passing of resolution 1 above as an ordinary resolution, and such resolution becoming effective, the directors of the Company be and they are hereby empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority given by resolution (1)(b)(ii) above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

   (a) in connection with any rights issue or other pre-emptive issue in favour of the holders of ordinary shares of 4p each where the equity securities respectively attributable to the interests of all such holders of ordinary shares of 4p each are proportionate (as nearly as may be) to the respective numbers of ordinary shares of 4p each held by them but subject to such exclusions or arrangements that the directors may deem necessary or desirable to deal with fractional entitlements otherwise arising or legal or practical problems under the laws or requirements of any recognised authority in any territory; and

(b) other than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £181,140.23;

and such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2002 provided that the Company may make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

John Billington FCCA
Company Secretary
21 December 2001

Registered Office:
10 Arley Industrial Park
Colliers Way
Spring Hill
Arley
Coventry CV7 8HN

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. A proxy form for use in connection with the meeting accompanies the listing particulars. Additional copies may be obtained from the registered office. The proxy form and any power of attorney under which it is signed must be deposited at the address printed on the proxy form not less than 48 hours before the time appointed for holding the meeting.
3. The Company, pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995 specifies that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on 11 January 2002 shall be entitled to attend and vote at the meeting in respect of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m. on 11 January 2002 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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