ADVANCED MEDICAL OPTICS

AMO United Kingdom Limited

Annual report and financial statements

For the year ended 31 December 2008
Registered number 4359842

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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activities

AMO United Kingdom Limited is part of a global company, Advanced Medical Optics, Inc. (AMO, Inc.) offering its customers ophthalmic surgical, laser vision correction and contact lens care products for the eye. AMO, Inc. is the ultimate parent undertaking and controlling party of the group and its relationship with AMO United Kingdom Limited is detailed in note 18 to the financial statements.

Review of business and future developments

Turnover for the financial year was £8,451,000 (2007: £9,307,000) with a profit of £641,000 (2007: profit £563,000) which was transferred to reserves. The company has performed in line with expectations and the decrease in turnover from the previous year is detailed in note 2 to the financial statements. The directors are satisfied with the year end position. The long term business outlook for the future remains positive. The ophthalmic surgical business will be supported by the UK's aging demographics. While impacted by the current economic climate, the laser vision correction business is also expected to build in the longer term. The contact lens care business will continue to develop its multi-purpose solution and rewetter franchises.

Prinicipal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to a competitive market which is subject to significant technological change, employee retention and product availability. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report on Form 10-K, which does not form part of this report.

Key performance indicators (KPI's)

The directors of AMO, Inc. manage the group's operations on a global basis. For this reason, AMO United Kingdom Limited's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of AMO United Kingdom Limited. The development, performance and position of AMO, Inc., which includes the company, is discussed on the group's annual report Form 10-K, which does not form part of this report.

Dividends

The directors do not recommend the payment of any dividend during the year (2007: Nil).

Charitable contributions

Donations to UK charities amounted to £50 (2007: £440). The one donation during the year was made to the Wiltshire Blind Association (£50).

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and foreign exchange and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by AMO Ireland, a group company. The company does not use derivative financial instruments and as such no hedge accounting is applied.

Directors' report (continued)

Financial risk management (continued)

Price risk:
Pricing levels and policy are set by AMO Ireland, a group company and AMO United Kingdom Limited applies these policies.

Credit risk:
Credit risk is managed by AMO Ireland, a group company, and AMO United Kingdom Limited shall not be liable for any such risk.

Foreign exchange and interest rate risk:
Foreign exchange and interest rate risk are managed by AMO, Inc. on a global basis via the group's treasury department.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Katrina Moore
Holger Heidrich

Directors' indemnities

The Company maintains liability insurance for its directors and officers. Following shareholder approval in August 2006, the Company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;
• make judgements and estimates that are reasonable and prudent;
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Independent auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of independent auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Post balance sheet event

On February 25, 2009, Abbott Laboratories completed the acquisition of our parent company, Advanced Medical Optics, Inc. The merger with Abbott Laboratories is described in further detail in note 19 to the financial statements.

On behalf of the board

K. Moore

Katrina Moore
Director

Date 29th May 2009

Independent auditors' report to the members of AMO United Kingdom Limited

We have audited the financial statements of AMO United Kingdom Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

Date 28th May 2009

Profit and loss account

for the year ended 31 December 2008

	Note	2008	2007
		£000	£000
Turnover	2	**8,451**	9,307
Cost of sales		**-**	-
Gross profit		**8,451**	9,307
Distribution costs		**(5,502)**	(6,735)
Administrative expenses		**(2,213)**	(2,015)
Operating profit	3	**736**	557
Interest receivable and similar income	4	**258**	311
Profit on ordinary activities before taxation		**994**	868
Tax on profit on ordinary activities	7	**(353)**	(305)
Profit for the financial year	15, 16	**641**	563

There are no differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The company has no recognised gains or losses other than shown in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

All profits arose from continuing activities.

Balance sheet
as at 31 December 2008

	Note	2008		2007	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	8		530		148
Current assets					
Debtors	9	9,931		8,601	
Cash at bank and in hand		34		192	
		9,965		8,793	
Creditors: amounts falling due within one year	10	(6,547)		(5,751)	
Net current assets			3,418		3,042
Total assets less current liabilities			3,948		3,190
Provision for liabilities and charges	11		-		(15)
Net assets			3,948		3,175
Capital and reserves					
Called up share capital	14		- *		- *
Share premium account	15		2,251		2,251
Profit and loss account	15		1,697		924
Total equity shareholders' funds	16		3,948		3,175

* less than £1,000

The financial statements on pages 5 to 16 were approved by the board of directors on and were signed on its behalf by:

K. Moore

Katrina Moore
Director

Date 29th May 2009

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions denominated 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 re-translated using the rate of exchange ruling at the balance sheet date. All exchange differences are included in the profit and loss account in the period in which they arise.

Operating leases

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

Post-retirement benefits

The company operates a defined contribution group stakeholder pension scheme. The assets of the scheme are held in individual employee personal pension plans operated by the plan insurance company. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the year ended 31 December 2008.

Share based payments

The AMO, Inc. group issues equity-settled share based payments to certain employees. Equity-settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on estimates of shares that will eventually vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to the original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Fair value is determined by the Black-Scholes pricing model. The expected life has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Turnover

Turnover comprises of three components:

- commission equating to all actual annual costs and expenses incurred by the company in connection with its marketing, selling and general administration of the products in the territory;
- an agreed percentage of net sales; and
- income earned from the provision of supportive services to AMO Ireland, a group company.

All turnover is derived from group under the existing commissionaire agreement.

2 Turnover

Turnover, as noted in the directors report, has decreased by 9.2% in the financial year ended 31 December 2008. 10.7% is due to decreased reimbursed annual costs and expenses and this is offset by 1.5% due to increased income from supportive services and commission on net sales.

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared on the going concern basis and under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

Cash flow statement and related party transactions

Under FRS 1 "Cash flow statements" (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking, AMO, Inc., includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of AMO Inc., the company has taken advantage of the exemption contained in paragraph 3(c), FRS 8 "Related party disclosures" and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of AMO Inc., within which this company is included, can be obtained from the address given in note 18.

Tangible assets and depreciation

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Tangible assets are stated at cost less accumulated depreciation. Depreciation is provided at rates designed to write off the cost of tangible assets on a straight line basis over their estimated useful economic lives as follows:

Short leasehold & improvements	-	Over lease term
Furniture & fixtures	-	7 years
Office equipment	-	5 years
Computer equipment	-	3 years
Machinery & equipment	-	3 years

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Notes to the financial statements for the year ended 31 December 2008 (continued)

3 Operating profit

	2008 £000	2007 £000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
-owned	60	64
Services provided by the company's auditors:		
-payable for the audit	14	13
-sevices relating to taxation	6	7
Operating leases:		
-hire of plant and machinery	264	223
-other	262	262
Foreign currency losses	12	4

4 Interest receivable and similar income

	2008 £000	2007 £000
From group undertakings	258	311

5 Directors' emoluments

The emoluments of the directors who were remunerated through the company were as follows:

	2008 £000	2007 £000
Aggregate emoluments	139	138
Company contributions to money purchase pension scheme	26	20
	165	158

During the year, one director (2007: one) accrued benefits under the money purchase pension scheme.

During the current year and prior year, one other director was remunerated by AMO Germany GmbH and his emoluments are disclosed in the financial statements of the ultimate parent company AMO, Inc. as no amount can be allocated in relation to his services for this company.

During the year no directors (2007: none) exercised share options.

6 Staff numbers and costs

The average monthly number of persons (including the executive directors) employed by the company during the year to 31 December 2008, analysed by category, was as follows:

	Number 2008	Number 2007
Administration	7	8
Sales, marketing and regulatory	53	56
	60	64

Notes to the financial statements for the year ended 31 December 2008 (continued)

6 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2008 £000	2007 £000
Wages and salaries	**3,036**	2,954
Social security costs	**357**	327
Other pension costs (note 12)	**305**	317
Cost of employee share schemes (note 20)	**132**	24
	3,830	3,622

7 Tax on the profit on ordinary activities

	2008 £000	2007 £000
Current tax:		
UK corporation tax at 28% on profits of the year	**321**	314
Adjustment in respect of prior year	**6**	2
Total current tax	**327**	316
Deferred tax:		
Origination and reversal of timing differences	**26**	(11)
Total deferred tax (note 13)	**26**	(11)
Tax on profit on ordinary activities	**353**	305

The tax assessed for the year is higher (2007: higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	**994**	868
Profit on ordinary activities multiplied by standard rate in the UK 28% (2007: 30%)	**278**	260
Effects of:		
Expenses not deductible for tax purposes	**67**	40
Accelerated capital allowances & other timing differences	**(24)**	14
Adjustments in respect of prior year	**6**	2
Current tax charge for the year	**327**	316

Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, profits for this accounting period have been charged at 28%. Deferred tax has also been calculated at 28% (see note 13).

Notes to the financial statements for the year ended 31 December 2008 (continued)

8 Tangible assets

	Short leasehold & improvements	Furniture & fixtures	Machinery & equipment	Office equipment	Computer equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2008	115	137	-	81	209	542
Additions	-	-	413	-	29	442
At 31 December 2008	**115**	**137**	**413**	**81**	**238**	**984**
Accumulated depreciation						
At 1 January 2008	42	97	-	65	190	394
Charge for the year	7	20	3	4	26	60
At 31 December 2008	**49**	**117**	**3**	**69**	**216**	**454**
Net book value						
At 31 December 2008	**66**	**20**	**410**	**12**	**22**	**530**
At 31 December 2007	73	40	-	16	19	148

The company had no capital commitments at 31 December 2008 (2007: nil).

9 Debtors

	2008	2007
	£000	£000
Amounts falling due within one year:		
Amounts owed by group undertakings	**9,799**	8,442
Deferred tax asset (note 13)	**49**	75
Prepayments and accrued income	**83**	84
	9,931	8,601

The amounts owed by group undertakings are unsecured, and includes £4,612,000 (2007: £5,149,000) that bears interest at rates ranging from 2.94% to 6.20% (2007: 6.36% to 7.15%) and have no fixed terms of repayment.

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Creditors: amounts falling due within one year

	2008	2007
	£000	£000
Trade creditors	**241**	348
Amounts owed to group undertakings	**4,784**	3,578
Corporation tax	**179**	202
Other taxes and social security	**340**	523
Accruals and deferred income	**1,003**	1,100
	6,547	5,751

The amounts owed to group undertakings relates to trade, payable within 60 days (2007: 60 days) and do not bear interest (2007: no interest).

11 Provision for liabilities and charges

	National insurance on stock options £000
At 1 January 2008	15
Released to the profit and loss account	(12)
Utilised during the year	(3)
At 31 December 2008	-

A number of the company's employees have been granted share options over the shares of the company's ultimate parent undertaking, Advanced Medical Optics, Inc. For options granted from the period ended December 2002, the company is liable to pay national insurance, currently 12.8% on the difference between the option exercise price and the market value of the related share when the options are exercised. Accordingly, the company has made a provision in relation to those options. The provision is expected to be utilised in the period in which these options vest and are exercised.

The amount of national insurance payable will depend on the number of employees who remain with the company and exercise their options, the market price of the ultimate parent undertaking's shares at the time of exercise and the prevailing national insurance rate at that time.

The provisions are not discounted.

12 Pension scheme

The company operates a defined contribution group stakeholder pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £305,000 (2007: £317,000).

Accrued pension contributions at 31 December 2008 is £32,283 (2007: £32,736)

Notes to the financial statements for the year ended 31 December 2008 (continued)

13 Deferred taxation

Deferred taxation has been recognised in respect of the following items:

	2008 £000	2007 £000
Accelerated capital allowances	(6)	18
Other timing differences	55	57
	49	75

Movements on the deferred tax asset are as follows:

	2008 £000
At 1 January	75
Charge to the profit and loss for the year (note 7)	(26)
At 31 December	49

The deferred tax asset has been recognised as the directors believe it is probable that the asset will be recovered as they expect the company to remain profitable based on the commissionaire structure of the company in the UK within the AMO group. There are no unrecognised deferred tax assets in either period.

14 Called up share capital

	2008 £	2007 £
Authorised		
Equity : 1,000 ordinary shares of £1 each (2007: 1,000 ordinary shares of £1 each)	1,000	1,000
Allotted, called up and fully paid		
Equity : 175 ordinary shares of £1 each (2007: 175 ordinary shares of £1 each)	175	175

15 Share premium and reserves

	Share premium account £000	Profit and loss account £000
As at 1 January 2008	2,251	924
Adjustment in respect of employee share option plans (note 20)	-	132
Retained profit for the financial year	-	641
As at 31 December 2008	2,251	1,697

Notes to the financial statements for the year ended 31 December 2008 (continued)

16 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	641	563
Retained profit for the financial year	641	563
Adjustment in respect of employee share option plans (note 20)	132	24
Net increase in shareholders' funds	773	587
Opening equity shareholders' funds	3,175	2,588
Closing equity shareholders' funds	3,948	3,175

17 Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	2008		2007	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	219	14	-	-
Within two to five years	-	129	-	135
After five years	-	-	264	-
	219	143	264	135

18 Immediate and ultimate parent company and controlling party

The company is 71% owned by AMO International Holdings, an Irish private unlimited company, and 29% owned by AMO UK Holdings LLC, incorporated in the USA. Both parents are group companies.

The smallest and largest group in which the results of the company are consolidated is that headed by the ultimate parent undertaking and controlling party, AMO, Inc., a company incorporated in the USA. The consolidated financial statements are available to the public and may be obtained from:

Jupiter House
Mercury Park
Wooburn Green
High Wycombe
Buckinghamshire
HP10 0HH

19 Post balance sheet event

On January 11, 2009, Advanced Medical Optics, Inc., our parent company ("Parent"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Abbott Laboratories ("Abbott") and Rainforest Acquisition Inc., a wholly owned subsidiary of Abbott ("Purchaser"). Subject to the terms and conditions of the Merger Agreement, on January 27, 2009, Purchaser commenced a tender offer to purchase all of the outstanding shares of Parent's common stock, par value $0.01, including the associated preferred stock purchase rights, at a purchase price of $22.00 per share, net to the holder in cash, without interest. On February 25, 2009, Abbott completed the tender offer and Parent became a wholly owned subsidiary of Abbott as of that date. The merger with Abbott is not expected to have an impact on the group structure or the UK entity.

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Share Options

At 31 December 2008 the company's employees were members of 3 stock-based compensation plans operated by the ultimate parent company AMO, Inc. The shares outstanding are for contracts under the 2002 AMO, Inc. Incentive Compensation Plan, the 2005 AMO, Inc. Incentive Compensation Plan and the Converted Allergan Options Plan.

Under these plans, the AMO, Inc. remuneration committee can grant options over shares in the ultimate parent company, AMO, Inc., to employees of the group. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option is 10 years. Awards under these schemes are generally reserved for employees at senior management level and above. There are no reload features. 25% of options granted under these schemes will become fully exercisable on each anniversary of the date of grant, i.e. they become fully exercisable on the fourth anniversary of the date of grant. Exercise of an option is subject to continued employment, the exception being that any employee leaving the company has three months after their leave date to exercise their options.

A reconciliation of option movements over the year to 31 December 2008 is shown below:

	2008		2007	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at start of year	**32,885**	**$24.66**	83,282	$20.43
Granted	**7,300**	**$22.94**	8,575	$42.55
Forfeited/Cancelled	**(5,960)**	**$43.19**	(20,202)	$37.78
Exercised	**(200)**	**$8.99**	(38,770)	$12.69
Outstanding at end of year	**34,025**	**$21.14**	32,885	$24.66
Exercisable at end of year	**25,014**	**$19.44**	22,025	$17.12

The weighted average fair value of options granted in the year was $67,452 (2007: $140,973). The sterling equivalent of both these values are £46,225 (2007: £71,021). The weighted average share price at the time of exercise for all 2008 exercises is $17.57.

For options outstanding at the end of the year, the weighted average exercise prices and weighted average remaining contractual life are as follows:

2008				2007			
Weighted average exercise price	**Number of shares**	**Weighted average remaining life:**		Weighted average exercise price	Number of shares	Weighted average remaining life:	
		Expected	**Contractual**			Expected	Contractual
$13.85	**2,500**	**4.3 yrs**	**5.3 yrs**	$13.85	2,500	5.3 yrs	5.3 yrs
$33.72	**4,750**	**5.4 yrs**	**6.4 yrs**	$33.72	4,750	6.4 yrs	6.4 yrs
$38.20	**6,225**	**6.4 yrs**	**7.4 yrs**	$38.20	6,350	7.4 yrs	7.4 yrs
$45.26	**0**			$45.26	1,600	8.4 yrs	8.4 yrs
$8.99	**13,250**	**3.6 yrs**	**4.6 yrs**	$8.99	13,450	4.6 yrs	4.6 yrs
$42.55	**0**			$42.55	4,235	9.4 yrs	9.4 yrs
$22.94	**7,300**	**9.4yrs**	**9.4yrs**				

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Share Options (continued)

The weighted average share price at the date of exercise during the period for options exercised over the year was $17.57.

Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant Date	**29/05/2008**	21/05/2007
Share price at grant date and exercise price	**$22.94**	$42.55
Number of employees	**1**	2
Shares under option	**7,300**	8,575
Vesting period (years)	**4 years**	4 years
Expected volatility	**31%**	28%
Option life (years)	**10 years**	10 years
Expected life (years)	**7.0 years**	6.2 years
Risk free rate	**4%**	5%
Expected dividend yield	**0%**	0%

Historical data is used to determine the expected life of the option. The risk free rate was based on the US Treasury yield curve in effect at the time of grant.

The computation of expected volatility is based on a combination of historical and market-based implied volatility. Implied volatility is based on publicly traded options of the Company's common stock with a term of one year or greater.

The total charge for the year relating to employee share based payment plans was £131,790 (2007: £23,650), all of which related to equity-settled share based payment transactions.