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DATED 17 July **2007**

- (1) CS CAPITAL PARTNERS II, LP
- (2) CABOT SQUARE CAPITAL NOMINEE LTD.
- (3) KRS INVESTMENT HOLDINGS LTD.
- (4) KRS FINANCE LTD.

DEBT CAPITALISATION AGREEMENT

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COMPANIES HOUSE

THIS AGREEMENT is made on 17 July 2007

BETWEEN -

- (1) CS CAPITAL PARTNERS II, L.P, a limited partnership the general partner of which is Cabot Square Capital (GP) Ltd, whose registered office is at 7 St James's St, London, SW1A 1EE (the "Fund"),
- (2) CABOT SQUARE CAPITAL NOMINEE LTD, whose registered office is at 7 St James's St, London, SW1A 1EE ("Nominee"),
- (3) KRS INVESTMENT HOLDINGS LTD, whose registered office is at Harbour House, Portway, Preston, PR2 2PR ("Holdings"),
- (4) KRS FINANCE LTD, whose registered office is at Harbour House, Portway, Preston, PR2 2PR ("Finance")

WHEREAS

- (A) Finance has agreed to issue ~~1870~~ ¹⁸⁷² ordinary shares of 0.01p each in the capital of Finance (the "New Shares") in satisfaction of all liabilities owed in respect of the redemption of deep discount loan notes 2012 held by the Fund having an aggregate nominal amount of ~~£3,385,472~~ ^{£3,389,614}
- (B) The New Shares will be issued to Nominee to hold as nominee on behalf of the Fund
- (C) Nominee has agreed at the direction of the Fund to sell and Holdings has agreed to purchase the New Shares in consideration of the issue of one A ordinary share of 1p in the capital of Holdings to the Fund

NOW IT IS HEREBY AGREED as follows -

1 CONDITIONS

The provisions of clauses 2 and 3 of this Agreement shall take effect only upon all necessary shareholder resolutions of Holdings and Finance to approve the matters contemplated therein having been passed and the consent of the special director of Holdings and Finance to the matters contemplated therein having been received. If such approvals and consents are not received on or before 30 August 2007 this Agreement shall lapse and be of no further force nor effect

2 DEBT CAPITALISATION

- 2.1 On satisfaction of the conditions referred to in clause 1, the Fund and Finance agree that deep discount loan notes 2012 held by the Fund having an aggregate nominal value of ~~£3,385,472~~ ^{£3,389,614} (the "DDBs") should be redeemed notwithstanding any term of such DDBs to the contrary and Finance agrees to issue the New Shares fully paid to Nominee (to hold as nominee for the Fund) in full and final satisfaction of the amounts due on redemption of those DDBs. The Fund accepts the issue of the New Shares to Nominee (to be held as nominee for the Fund) in full and final satisfaction of all sums due in respect of the redemption of the DDBs as aforesaid

- 2.2 Finance agrees to issue a certificate for deep discount loan notes with an aggregate nominal value of ~~£12,582~~ ^{£112,582} representing the balance of the deep discount loan notes 2012 held by the Fund as the date hereof. Nominee waives any requirement to receive a share certificate in respect of the New Shares

3 NEW SHARE TRANSFER

- 3.1 Immediately following the issue of the New Shares to Nominee, Nominee (at the direction of the Fund) hereby agrees to transfer and Holdings hereby agrees to acquire the New Shares, free from


any claim, option charge, lien, equity, encumbrance rights of pre-emption or any other third party rights and together with all rights attached to them at the date of this Agreement or subsequently becoming attached for them in consideration for the issue at par fully paid up by Holdings to Nominee of 1 "A" ordinary share of 1p Holdings and Nominee waive any requirement to receive a share certificate in respect of the shares acquired or issued to them in accordance with this clause

4 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with English law


This Agreement is entered into on the date first specified above

Signed by
for and on behalf of
Cabot Square Capital LLP as manager
of CS Capital Partners II, LP

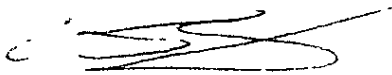
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Signed by
for and on behalf of
Cabot Square Capital Ltd

 Nominee

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Signed by
for and on behalf of
KRS Investment Holdings Ltd

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Signed by
for and on behalf of
KRS Finance Ltd

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