

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your broker or other professional adviser without delay.

Further copies of this document and the enclosed Form of Proxy, Special Form of Proxy for Nominees and Trustees, Claim Form and Non-Participation Form can be obtained from the Company at the address given on page 26 or downloaded from the Company's website at www.langbar.com

Proposal in relation to a

SCHEME OF ARRANGEMENT

between

LANGBAR INTERNATIONAL LIMITED

**(formerly Crown Corporation Limited, a company
incorporated in Bermuda)**

and its

SCHEME CREDITORS

(as defined in the Scheme of Arrangement)

The meeting of Scheme Creditors to consider the Scheme of Arrangement will be held on 6 October 2006. Notice of the meeting is at page 54.

The action required to be taken by you is set out on pages 24 to 28. Whether or not Scheme Creditors intend to be present at the meeting, they are requested to complete and return the Form of Proxy and Claim Form (or the Special Form of Proxy for Nominees and Trustees) enclosed with this document as soon as possible.

8 SEPTEMBER 2006

IMPORTANT NOTICE

The Directors of Langbar International Limited (the “Company”) accept responsibility for the statements, opinions and information contained in this document upon the basis that, to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the statements, opinions and information contained in this document are correct.

The statements, opinions and information contained in this document are made, held or given respectively as at the date of this document unless another time is specified and such statements, opinions and information are made, held or given solely by or on behalf of the Company unless expressly attributed to another party.

Nothing contained in this document constitutes an admission of any fact or liability on the part of the Company or any other person in respect of any asset to which it or they may be entitled or any claim against it or them. No estimate of the amount of any claim against the Company specified in a Claim Form returned to the Company or otherwise provided for voting purposes shall be admissible against the Company or any other party and it shall not be taken into account in calculating payments under the Scheme of Arrangement (the “Scheme”). Any such estimate shall only be used for voting purposes at the meeting of creditors to consider the Scheme.

The summary of the principal provisions of the Scheme and related matters contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out on pages 39 to 51.

The Directors of the Company have not authorised any person to make any representation, whether oral, written, express or implied, concerning the Scheme, which is inconsistent with the statements made in this document. Consequently, if such representations are made, they should not be relied upon.

Each Scheme Creditor (as defined in the Scheme) should not construe the contents of this document as legal, tax, financial or other professional advice. Each Scheme Creditor should consult his own professional advisers as to the legal, tax, financial or other matters relevant to the action he should take in connection with the Scheme.

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PROVISIONAL TIMETABLE

- Record Date 8 September 2006
- Scheme Meeting 6 October 2006
- Court hearing to sanction the Scheme Mid October 2006
- Scheme becomes effective (the “Effective Date”) Mid/late October 2006
- The Company calls for details of Scheme Claims (see paragraph 5.4 of the Explanatory Statement) Within 60 days after the Effective Date (the “Call Date”)
- Response of Scheme Creditors to calls for details of Scheme Claims Not later than 90 days after the Call Date

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Part A – EXPLANATORY STATEMENT

in compliance with Section 426 of the Companies Act 1985
in relation to a proposal to be effected by a Scheme of Arrangement
between

LANGBAR INTERNATIONAL LIMITED
(formerly Crown Corporation Limited, a company incorporated in Bermuda)

and its

SCHEME CREDITORS
(as defined in the Scheme of Arrangement)

1. KEY DEFINITIONS

In this Explanatory Statement, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“Assigned Claim” means a Third Party Claim after the same has been assigned to the Company pursuant to the Scheme;

“Business Day” means any day when banks in London are open for business other than a Saturday or Sunday;

“Capita” means Capita IRG Trustees Limited, a company registered in England and Wales with number 2729260;

“Common Share” means a common share of €0.001 in the capital of the Company;

“Company” means Langbar International Limited (formerly Crown Corporation Limited) incorporated in the islands of Bermuda with registered number EC33737;

“Company’s Bye-laws” means the Bye-laws of the Company adopted on 22 October 2003;

“Company Claim” means any claim or potential claim which the Company has and/or may have against Third Parties whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with their contractual or fiduciary duties to the Company and/or dealings in the Securities of the Company and includes claims founded in contract, tort, fraud, constructive trust or otherwise howsoever;

“Court” means the High Court of Justice in England and Wales;

“Depositary Interest” means a depositary interest issued by Capita pursuant to the Trust Deed Poll;

“Derivative” means a contract for difference or other form of derivative instrument relating to the Securities other than a Depositary Interest;

“Designated Day” means the first Business Day after the expiry of one month after the issue of the Net Asset Value Certificate;

“Effective Date” means the date that the Scheme becomes effective in accordance with its terms;

“Excluded Person” means a person listed or referred to in any part of Schedule 1 to the Scheme;

“Explanatory Statement” means this statement relating to the Scheme prepared by the Company pursuant to section 426 of the Companies Act 1985;

“Insolvency Event” means the appointment of a liquidator (including a provisional liquidator) or administrator over the Company or any composition or arrangement between the Company and its creditors generally (including without limitation Scheme Creditors) becoming effective, in each case after the Effective Date and in each case either in England and Wales, Bermuda or other applicable jurisdiction;

“Named Person” means a person listed or referred to in Part 1 of Schedule 1 to the Scheme;

“Net Assets” means the assets of the Company less its liabilities (including its estimated liabilities) but excluding liabilities representing the Scheme Claim Values of Scheme Creditors participating in the Special Payment;

“Net Asset Value Certificate” means a once only issued certificate in the form or in substantially the form set out in Schedule 3 to the Scheme which certifies the Company to have Net Assets in excess of £10 million;

“Non-Participation Form” means a form in or substantially in the form of Schedule 1 to the Scheme;

“Proceedings” means any proceedings commenced by the Company pursuant to an Assigned Claim;

“Record Date” means the date of the notice to Scheme Creditors convening the Scheme Meeting;

“Registered Holder” means a person who appears:

- (a) on the Depositary Interest Register maintained by Capita pursuant to the Trust Deed Poll as the holder of one or more Depositary Interests; and/or
- (b) on the register of members of the Company as the holder of one or more Common Shares,

in each case at the Record Date;

“Re-listing Event” means the admission of some or all of the Securities (or other securities issued by the Company in replacement of or representing the Securities) on the Alternative Investment Market of the London Stock Exchange or a public offering of securities issued by the Company for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) and relevant implementing measures in the United Kingdom or the admission of securities issued by the Company on any other recognised stock exchange or stock market;

“Scheme” means the scheme of arrangement with or subject to any modification, addition or condition approved or imposed by the Court;

“Scheme Claim” means all or any claims or potential claims against the Company whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with:

- (a) the purchase of Securities on or before 12 October 2005; and
- (b) any representation, advice, disclosure, information, statement, announcement or literature made, given or made available on or before 12 October 2005 by or on behalf of the Company in relation to the Company’s assets, liabilities and/or financial condition;

“Scheme Claim Formula” means **“Y x Z”** where **“Z”** is the number of Securities held by or on behalf of the relevant Scheme Creditor on the Record Date and **“Y”** is the amount that is the price paid, per Security, by or on behalf of the relevant Scheme Creditor for such holdings of Securities;

“Scheme Claim Value” means the value of a Scheme Claim as determined by the application of the Scheme Claim Formula;

“Scheme Creditor” means a creditor of the Company who is not an Excluded Person or a nominee for an Excluded Person and who immediately prior to the Effective Date or the date of the Scheme Meeting (as the context requires) has a Scheme Claim and a Third Party Claim and is:

- (a) the Registered Holder of the Securities to which the Scheme Claim relates; and/or
- (b) the person who in the reasonable opinion of the Company is the beneficial owner of such Securities;

“Scheme Meeting” means the meeting of Scheme Creditors convened by the Company pursuant to an order of the Court to consider, and if thought fit approve, the Scheme (and any adjournment thereof);

“Security” means Common Share or Depositary Interest;

“Special Payment” means the payment referred to in clause 4.4 of the Scheme;

“Sufficient Details” mean a name and address in written form;

“Third Party” means:

- (a) an Excluded Person (save for those listed or referred to in Part 4 of Schedule 1 to the Scheme unless excluded under any other part of that Schedule); and/or
- (b) all or any promoters, officers, agents, employees of and advisers to the Company who held such position from time to time on or before 12 October 2005;

“Third Party Claim” means any claim or potential claim against any Third Party whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with:

- (a) the purchase of Securities on or before 12 October 2005; and
- (b) any representation, advice, disclosure, information, statement, announcement or literature made, given or made available on or before 12 October 2005 by or with the knowledge or acquiescence of the Third Party in relation to the Company’s assets, liabilities and/or financial condition,

in each case including the proceeds thereof;

“Trust Deed Poll” means the Trust Deed Poll dated 27 November 2003 in relation to the Company executed by Capita; and

“Vote Adjudicator” means Victor Joffe QC of 6 New Square, Lincoln’s Inn, London WC2A 3QS or such other person as may subsequently be appointed;

2. WHY HAVE I BEEN SENT THIS DOCUMENT?

You have been sent this document because you have been identified as a creditor or potential creditor of the Company who is a Registered Holder and/or the beneficial owner of Securities and is not an Excluded Person. If you are such a creditor of the Company on the date of the vote, 6 October 2006, and have a Scheme Claim and a Third Party Claim, you will be entitled to vote at the Scheme Meeting. Further, if you are such a creditor of the Company on the Effective Date (being the date on which the Scheme becomes effective), you will be a “Scheme Creditor” as defined in the Scheme and, as such, a person directly affected by the Scheme. If you do not think that you are a such a person, please contact the Company at info@langbar.com.

You should note that the term “Excluded Person” includes a person who would otherwise be a Scheme Creditor but who has chosen to return to the Company a Non-Participation Form, as further explained in paragraph 3.5. Such a person will not be entitled to vote and will not be a Scheme Creditor.

3. WHAT IS A SCHEME OF ARRANGEMENT, HOW DOES IT BECOME BINDING AND WHOM DOES IT BIND?

3.1 A scheme of arrangement is a legally binding compromise or arrangement provided for in Section 425 of the Companies Act 1985 between a company and its members (or any class of them) or creditors (or any class of them). The Company is a company for these purposes although it is incorporated and registered in Bermuda. The Scheme will only affect your rights as a creditor of the Company.

3.2 The Scheme will become effective and binding on the Company and all its Scheme Creditors if:

- (a) a majority in number representing at least three-quarters in value of those present and voting, either in person or by proxy, at the Scheme Meeting, agrees to the compromise or arrangement; and
- (b) the compromise or arrangement is sanctioned by order of the Court and a copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies for registration.

The text of Sections 425 and 426 of the Companies Act 1985 is set out in Appendix 1.

3.3 If it becomes effective, the Scheme will bind all Scheme Creditors even if they did not receive notice of the Scheme Meeting, did not vote or voted against the Scheme. For the reasons set out in this Explanatory Statement, the Directors have concluded that the Scheme is the fairest, best and, indeed, only sensible way forward for all Scheme Creditors.

3.4 As further explained in paragraph 18.2, Scheme Creditors are creditors of the Company who are Registered Holders and/or beneficial owners of Securities, in each case who are not Excluded Persons or nominees for Excluded Persons and who have a Scheme Claim and a Third Party Claim. The Scheme does not apply to former holders of Securities, nor to holders or former holders of Derivatives. Excluded Persons include those who would otherwise be Scheme Creditors but have elected to return to the Company a Non-Participation Form as further explained in paragraph 3.5.

3.5 The Company is proposing that persons who would otherwise fall within the definition of Scheme Creditor be able to elect to exclude themselves from the Scheme. This is different to a person voting against the Scheme at the Scheme Meeting or abstaining from that vote. To exclude oneself from the Scheme it is necessary to return to the Company a Non-Participation Form to be received by the Company not later than 48 hours before the Scheme Meeting. A person who does return a Non-Participation Form to the Company before that time is an Excluded Person and falls outside the definition of Scheme Creditor. A person who does not return a Non-Participation Form will, if all other criteria are met and the Scheme becomes effective, be a Scheme Creditor and bound by the Scheme even if that person votes against the Scheme or abstains. In the event of conflicting actions between a Registered Holder and a beneficial owner of the same Securities, the Company shall have regard only to the actions of the beneficial owner with the effect on the calculation of the requisite majorities more particularly explained in paragraph 18.2(f). Scheme Creditors who are beneficial owners of Securities held by a Registered Holder should be aware that, if the Registered Holder returns a Non-Participation Form, the Scheme Claim Value of the beneficial owner’s Scheme Claim will not be represented at the Scheme Meeting unless the beneficial owner itself attends (in person or by proxy) and votes.

Because a Scheme Creditor may be either a beneficial owner of Securities or a Registered Holder (who is not also the beneficial owner) of Securities, it is possible that the beneficial owner of

Securities opts out and the Registered Holder does not. How this affects the calculation of requisite majorities at the Scheme Meeting is explained in paragraph 18.2(f).

In addition, the Company has stated in a letter addressed to the Langbar Action Group and here confirms that, if a Scheme Creditor that is the beneficial owner of Securities (in this paragraph the “beneficial owner”) opts out of the Scheme in accordance with this paragraph 3.5 but the Registered Holder of those Securities (in this paragraph 3.5, the “registered holder”) does not opt out, the Company shall, at the request of the beneficial owner, assign to the beneficial owner (or as it may direct) for no consideration, all right, title and interest as the Company acquires from the registered holder pursuant to the Scheme in the Third Party Claims arising from the Securities referred to in the beneficial owner’s Non-Participation Form. Further, the Company has also stated in that letter and here confirms that, where the beneficial owner has opted out as stated above and the registered holder has not, the Company shall not, in respect of any Scheme Claim of the beneficial owner arising from the Securities referred to in the beneficial owner’s Non-Participation Form, take any point in any action brought by the beneficial owner (or assignee or successor in title to the beneficial owner) against the Company that pursuant to the Scheme the registered holder of those Securities is proscribed from taking any action in respect of the relevant Scheme Claim or otherwise restricted in so doing.

- 3.6 The Company understands that Securities were traded on the Freiverkehr (“Open Market”) of the Frankfurt Stock Exchange (which included floor trading and electronic trading) and that some form of trading also took place on exchanges in Berlin, Munich and Stuttgart. The Company understands that trading on these exchanges has now been terminated or suspended. The Company understands that, in order for interests in the Securities to be traded on stock exchanges in Germany, Securities were held (on a fiduciary basis) by the German central depository, Clearstream Banking AG, Frankfurt (“Clearstream”). Clearstream is neither a Member nor a Depository Interest Holder. The Company further understands that Clearstream holds interests in Securities through a nominee, Vidacos Nominees Limited (“Vidacos”). It is possible that there are nominees other than Vidacos who hold Securities traded in Germany. Vidacos has eleven accounts on the Register of Depository Interests maintained by Capita pursuant to the Trust Deed Poll and it is understood that two of these accounts are held on behalf of Clearstream. The Company understands that Vidacos acts as nominee for certain German institutions, who in turn hold as nominees for German individual investors and other entities.

4. WHY IS THE SCHEME BEING PROPOSED?

The Scheme is proposed to help address the Company’s financial difficulties and to ensure that the Company is able to make substantial recoveries in respect of the frauds which appear to have been committed against the Company and the Scheme Creditors. The Company has asserted in legal proceedings that the Company was the subject of a fraud from its inception. As noted in paragraph 5 of Sion Richard’s affidavit dated 24 February 2006 in support of the Company’s application for a freezing order: “Langbar believes that...the fraud has been perpetrated by the Intended Defendants acting together to form a shell company which floated on AIM, ultimately to encourage external investment which would in turn allow the original shareholders (including Mr Rybak and Lambert Financial Investments Limited/Arad) to profit from the sale of their own shares”. Successfully resisting the Strike Out Application, as defined and explained in paragraph 1.4 of Appendix 2 to this Explanatory Statement, is now a key factor in proposing the Scheme. It is believed that it will be in the best interests of the Company and all Scheme Creditors that any Third Party Claims and the Company Claims are pursued by the Company and that funds are collected and, subject to the wishes of its shareholders and the terms of the Scheme, distributed by the Company.

5. WHAT DOES THE SCHEME DO?

- 5.1 The Scheme causes Scheme Creditors to assign all their Third Party Claims to the Company (see clauses 4.1(a) and 4.1(b) of the Scheme). This means that Scheme Creditors themselves will not be able to pursue Third Party Claims. In return for the assignment, the Company will pursue and seek to make recoveries in respect of the Company Claims and the Assigned Claims subject to the provisos set out in clauses 4.2 and 4.3 of the Scheme. The Company will indemnify Scheme Creditors against the costs of pursuing the Assigned Claims incurred by them at the Company’s request including the reasonable costs of any Scheme Creditor whose co-operation is required (see clause 6 of the Scheme). All and any recoveries made in respect of Assigned Claims will be received

by the Company as assets of the Company to be applied and dealt with by the Company as part of its general assets (see clause 5 of the Scheme).

- 5.2 Save in the circumstances described in paragraph 6.4, the Scheme prohibits Scheme Creditors in any jurisdiction from issuing or continuing proceedings in respect of their Scheme Claims or otherwise recovering against the Company. This prohibition does not as a matter of law constitute a waiver of the Scheme Claim but the Scheme does provide that the Scheme Claim is waived if a Re-listing Event occurs.
- 5.3 The Scheme provides a mechanism for the valuation of Scheme Claims. The Directors consider that to estimate the precise value of Scheme Claims on an individual basis would be too costly and time consuming and the disadvantages would far outweigh any benefits. The Directors have been advised that in those circumstances it would be appropriate to apply a formula to create a value for each Scheme Claim. The formula decided upon by the Directors is:

“**Y x Z**”, where: (1) Z is the number of Securities held by or on behalf of the relevant Scheme Creditor; and (2) Y is the price paid per Security by or on behalf of the relevant Scheme Creditor for such holdings of Securities.

Where the price paid is in a currency other than £ sterling, the price paid will be converted into £ sterling as described, for the purposes of the Scheme Meeting, in this paragraph 5.3 and as described, for the purposes of the Special Payment, in paragraph 6.1 and, in each case, the £ sterling equivalent resulting from such conversion will be used in the Scheme Claim Formula.

The Directors consider that this formula broadly reflects the loss suffered by each Scheme Creditor in relation to its purchase of Securities. The amount resulting from the application of the Scheme Claim Formula to your Scheme Claim will be your Scheme Claim Value.

For the purposes of the Scheme Meeting, where Securities were purchased in a currency other than £ sterling, the price paid for Securities (as shown on the Scheme Creditor’s Claim Form) will, where applicable, be converted into £ sterling at the mid-point between the offer price and the bid price for that currency as published in the London Financial Times on the day of the Scheme Meeting.

Where a Scheme Creditor has purchased Securities at different prices and has sold Securities, the Scheme deems the Scheme Creditor to have disposed of the Securities in the order of their purchase, in the absence of contrary evidence satisfactory in the reasonable opinion of the Company to displace this rule.

- 5.4 Although Scheme Creditors are being asked to self-certify their Scheme Claims (on the Claim Form enclosed with this document) for the Scheme Meeting, for the purposes of making a Special Payment (see paragraph 6) the Company will, within 60 days after the Effective Date:
- (a) send a notice in writing to each Scheme Creditor of whom the Company has a name and address requiring the Scheme Creditor to submit details of its holdings of Securities and the price at which such Securities were purchased and, where relevant, the name of the nominee in whose name the Securities are registered; and
 - (b) cause notice to be published (in such publications as appear reasonable to the Company including those in which notice of the Scheme Meeting is published) calling for Scheme Creditors to provide that information to the Company. If the Scheme Creditor supplies that information (which may be queried if the Company’s information is inconsistent with it), that information will be used to calculate the Scheme Claim Value of the Scheme Creditor’s Scheme Claim for the purposes of the Special Payment.

If within 90 days from the last date on which such notice is sent or published the Scheme Creditor has not supplied the information requested, the Company shall be entitled to treat each Security (the purchase price of which was not notified within that 90 day period) as purchased at a price reasonably determined by the Company taking into account the date on which the Company believes the Securities to have been purchased and other relevant information available to it and the Scheme Creditor’s Scheme Claim Value will be calculated accordingly. Where the Scheme Creditor provides no information, including no information showing that it has any interest in Securities, that calculation may lead to a nominal valuation. In each case, that Scheme Creditor will participate in the Special Payment and the calculation of its Scheme Claim Value will determine the level of its participation. However, where a Scheme Creditor is unknown to the Company at the date of the Net Asset Value Certificate, that Scheme Creditor will not participate in the Special Payment and a

provision for such unknown Scheme Creditors may be included as a liability in the Directors' valuation of Net Assets for the purposes of the Net Asset Value Certificate.

6. WILL I RECEIVE A PAYMENT IN RESPECT OF MY SCHEME CLAIM?

- 6.1 The Scheme enables the Company to make (in the manner described in paragraph 6.2) a Special Payment to Scheme Creditors of an aggregate amount equal to 25 per cent. of the value of the Net Assets of the Company once the value of the Net Assets exceed £10 million. The Special Payment will be made on the Designated Day. The Designated Day is the first Business Day one month after the issue of the Net Asset Value Certificate. The Directors will, before the end of each six month period following the Effective Date, assess the financial position of the Company and, on the first occasion that such assessment indicates to the Directors in their reasonable opinion that the value of the Net Assets exceeds £10 million, the Directors will issue the Net Asset Value Certificate.

The Special Payment will be distributed between participating Scheme Creditors rateably in proportion to their Scheme Claim Values. For the purposes of the Special Payment, the price paid for Securities will, where relevant, be converted into £ sterling at the mid-point between the offer price and the bid price for such currencies as published in the London Financial Times on the day five Business Days before the Special Payment is made.

Scheme Creditors should not construe the Special Payment as meaning that they will receive 25 per cent. of their Scheme Claim Values. The Special Payment is likely to be considerably lower than that figure.

At the time of payment of the Special Payment, the Company will post on its website at www.langbar.com the amount of the Special Payment per £1 of Scheme Claim Value.

- 6.2 The Special Payment will be made (at the discretion of the Company either by cheque or telegraphic transfer, save where the Company agrees with the payee a different method of payment at the request and cost of the payee) by the Company to the person whom the Company reasonably believes is the beneficial owner of the Securities to which the relevant Scheme Claim relates or who is otherwise able to give a valid discharge for the Special Payment. Where the Company believes that Securities are held by a person as nominee or trustee, the Special Payment will be made to the person disclosed by the nominee or trustee as the beneficiary and sufficient details of whom are disclosed to the Company by the nominee or trustee. Where the nominee or trustee refuses or fails to disclose sufficient or any details of the beneficiary, the amount of the Special Payment may, at the discretion of the Company, be paid to the nominee or trustee on such terms as the Company thinks fit or paid by the Company into a deposit account pending a claim to it by the person who is or appears in the reasonable opinion of the Company to be the beneficial owner of the relevant Securities. All rights to Special Payments that are uncashed or unclaimed after six years will be extinguished.
- 6.3 For the purpose of calculating the value of the Net Assets of the Company, there will be left out of account the aggregate amount of the Scheme Claim Values of the Scheme Claims subject to a provision for Scheme Creditors that are unknown to the Company.
- 6.4 The certification of the value of Net Assets by the Directors will reflect their assessment of the value of claims against the Company that are not Scheme Claims. The Company's proposals for dealing with these types of potential claims are addressed in paragraph 11.
- 6.5 If an Insolvency Event occurs (i.e. if the Company is placed into liquidation or administration or compromises the claims of its creditors generally) before a Re-listing Event occurs, you will be able to submit a proof of debt or claim in respect of the amount of any Scheme Claims which you have. However, the appointed insolvency practitioner is likely, when valuing your claim, to take into account any sums recovered either because of a Special Payment you have received as referred to in paragraph 6.1 or from any other source.
- 6.6 A liquidator might not feel constrained to abide by the same valuation mechanism to your claim as applied by the Scheme.

7. WHEN WILL THE SCHEME BECOME EFFECTIVE?

The Scheme will become effective when an office copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies for registration.

8. BACKGROUND TO THE FRAUDS

The history of the Company is summarised in Appendix 2. In brief, the Company was established by Mr Rybak in Bermuda in June 2003 and listed on AIM in October 2003. Trading on AIM was suspended on 12 October 2005 after it emerged that the Company had been the subject of a major fraud and the cash deposits which had been thought to compromise the bulk of the Company's assets did not exist. Subsequent investigations undertaken by the new management of the Company have led to claims being issued against Mr Rybak and various associated companies and individuals believed to be responsible for the frauds committed against the Company.

9. WHAT TYPES OF CLAIM AM I BEING ASKED TO ASSIGN TO THE COMPANY?

9.1 The claims in summary

The claims that you are asked to assign are described in this document and defined in the Scheme as Third Party Claims (in the Scheme these are also defined as Assigned Claims after they have been assigned to the Company). Broadly speaking, these are claims you may have against certain individuals and companies (defined as Third Parties) who were connected to the Company at some point (but not the Company itself) that arise out of or are in any way connected with your purchase of Securities on or before 12 October 2005. These include claims arising from dishonesty of any form as well as claims where an innocent or careless error has been made.

9.2 Who are the Third Party Claims against?

The Third Party Claims are claims against people described in this document and defined in the Scheme as Third Parties. Third Parties include:

- (a) Mr Rybak, Mr Regli and Mr Hochman and various companies (such as Lambert and CMC) and individuals who are or were closely connected to them (a full list of these people and companies is set out in Part 1 of Schedule 1 to the Scheme – these are the Named Persons), together with associates of them; and
- (b) other directors, officers or employees of the Company and advisers to the Company (such as lawyers, accountants and brokers) even if these people did not at the time know about the frauds.

Third Parties do not include lawyers, accountants, brokers or other third parties who you may have consulted but who were unconnected with the Company.

9.3 What type of claims are the Third Party Claims?

In broad terms, the Third Party Claims are claims that you have against the Third Parties relating to your purchase of Securities on or before 12 October 2005.

Third Party Claims include claims arising if you bought Securities from the Company (either when it was first listed on AIM, or later) or from someone else (who may or may not have been one of the Third Parties). For the purposes of the Scheme, it is not necessary for you to know who you bought the Securities from.

The Third Party Claims relate to both the period when the Company was run by Mr Rybak and Mr Regli and when the board was reconstituted in June 2005.

The Third Party Claims include, but are not limited to, claims under the common law (such as claims for fraud, deceit, negligence or negligent/innocent misstatement) and claims provided for under statute (such as the Financial Services and Markets Act 2000).

If you currently have or may have a claim which is different from the Third Party Claims described in the Scheme, such a claim is not affected by the Scheme.

As stated at paragraph 3.4, the Scheme does not apply to the holders of Derivatives or to any claims that they may have against a Third Party. If you are a Registered Holder and/or beneficial owner of Securities and also hold Derivatives, the only claims you will assign under the Scheme are those against Third Parties that arise because you are a Registered Holder and/or beneficially own

Securities. Holders of Derivatives (and others who are outside the definition of “Scheme Creditor”, such as former holders of Securities) who consider that they may have claims against the Company will remain free to pursue those claims. The position of such potential claimants is addressed in paragraph 11.

9.4 What would happen if I brought a Third Party Claim after the Scheme was in place?

If you bring a Third Party Claim after the Scheme is in place, the Company may obtain an order from the Court that it be allowed to take over running the claim or that the claim be discontinued. Any money you recovered under such a claim may be treated as an advanced payment under clause 4.4 of the Scheme, or the Company may treat itself as having no liability to make a payment under clause 4.4 of the Scheme to you, or the Company may require you to turn over any such money to the Company (see clause 7.3 of the Scheme).

9.5 Could Assigned Claims be returned if not pursued?

The Company has indicated in a letter addressed to the Langbar Action Group its intention that, if the Company does not pursue an Assigned Claim, it intends to assign that Assigned Claim back to the relevant Scheme Creditor (or, if that Scheme Creditor directs, to an assignee acceptable to the Company nominated by the Langbar Action Group) for no consideration and by a form of assignment acceptable to the Company.

10. WHAT TYPES OF CLAIM WILL I BE PROHIBITED FROM BRINGING AGAINST THE COMPANY?

Claims that you will be prohibited from bringing against the Company are summarised in this document and defined in the Scheme as Scheme Claims.

Broadly speaking, these are claims arising from the same circumstances as the Third Party Claims.

In general terms, Scheme Claims are claims that you have or may have against the Company relating to your purchase of Securities on or before 12 October 2005.

The Scheme Claims relate to both the period when the Company was run by Mr Rybak and Mr Regli and when the board was reconstituted in June 2005.

The Scheme Claims include, but are not limited to, claims under the common law (such as claims for fraud, deceit, negligence or negligent/innocent misstatement) and claims provided for under statute (such as the Financial Services and Markets Act 2000).

If you currently have or may have a claim against the Company which is different from the Scheme Claims described in the Scheme, such a claim is not affected by the Scheme.

If you hold Derivatives as well as Securities, you will not be prohibited from bringing any claim against the Company that you might have through your holding of Derivatives.

11. FURTHER STEPS BY THE COMPANY AFTER THE SCHEME BECOMES EFFECTIVE

If the Scheme becomes effective, Scheme Creditors will no longer be able to commence or continue Scheme Claims unless there is an Insolvency Event prior to a Re-listing Event in which case such claims may be asserted in the insolvency procedure without restriction (only giving credit for amounts received on account of their Scheme Claims).

Potential creditors of the Company falling outside the definition of “Scheme Creditor” (such as holders of Derivatives, former members of the Company, former holders of Depositary Interests, former beneficial owners of Securities and persons who have returned a Non-Participation Form in the manner described in paragraph 3.5) will remain free to bring proceedings against the Company (including placing the Company into administration or liquidation). The Directors will explore informal arrangements with such creditors to compromise the claims that they may have and will also consider proposing one or more schemes of arrangement under section 425 of the Companies Act 1985 with a view to compromising the potential claims of these types of potential creditors. The object of such steps would be to ensure that all creditors are brought within a collective procedure resulting in the compromise of their claims. The Directors consider that this is the only way that solvency can be restored to the Company within an acceptable timeframe. The alternative would be to wait until relevant limitation periods in respect of such claims have expired. As the Directors believe that fraud has occurred, the length of such limitation periods is uncertain.

As was noted above, your agreement in the Scheme not to pursue the Company for your Scheme Claims ceases to apply if the Company suffers an Insolvency Event prior to a Re-listing Event. Accordingly, if potential creditors falling outside the definition of “Scheme Creditor” brought actions against the Company (seeking treatment preferential to that of Scheme Creditors), the Company could be placed into an insolvency process, thereby enabling you to rank equally with such potential creditors. The Directors of the Company consider this to be a further reason to conclude that such potential claims should be able to be compromised.

On the assumption that all claims are compromised and the solvency of the Company is restored, it is possible that the Company could be re-listed on a stock exchange. Whether such re-listing occurs will be a decision for the shareholders of the Company at the time. The Directors would also consider, having first investigated the potential benefits to shareholders, offering to shareholders that the Company buy back Common Shares. The shareholders would need to consider any business plan placed before them by the Directors. Alternatively, shareholders might consider that a solvent liquidation of the Company is in their best interests. Should a re-listing occur, there would be an open market in the Common Shares and shareholders would be able to sell their Common Shares on the open market (assuming there to be buyers for them). The Company will also seek to incorporate into any arrangement to re-list or restructure the capital of the Company an option for shareholders to receive cash as an alternative to any benefits under such re-listing or restructuring.

12. SUSPENSION OF TRADING IN THE COMPANY’S SECURITIES

As set out in paragraph 8, on 12 October 2005 trading on AIM was suspended, at the request of the Company, at 50 pence per Security. This did not mean that Securities could not be bought and sold off market after this date, only that no new transactions could be entered into on AIM after that date and no further prices would be quoted for the Securities. Transactions in Securities prior to suspension remained valid and binding on the parties to them. Changes in the ownership of Common Shares continued to be written up in the Company’s share register until 28 November 2005, on which day the Bermuda Monetary Authority required the Company to freeze its register of members and prohibited Capita, as the Company’s registrar, from registering any transfers of Common Shares. Transactions in Securities on AIM continued to be settled through CREST until CREST suspended settlement on 2 December 2005 at the request of Capita. Accordingly, legal ownership of Common Shares and Depositary Interests is frozen. Legal ownership of Common Shares was frozen on 28 November 2005 and legal ownership of Depositary Interests was frozen on 2 December 2005.

13. WHAT ARE THE MAIN BENEFITS OF THE SCHEME TO THE SCHEME CREDITORS?

The main benefits of the Scheme to Scheme Creditors are listed below:

- (a) The Company and only the Company will be entitled to pursue the Company Claims (i.e. those which the Company may have against the Third Parties) and the Assigned Claims, enabling the Company Claims and the Assigned Claims to be pursued in a more streamlined and cost effective manner for the ultimate benefit of all Scheme Creditors. In the absence of claims being brought by the Company, there is no certainty that any claims would be brought against the Third Parties or that such claims would cover the entire liabilities of the Third Parties.
- (b) The Company and the Scheme Creditors will no longer be in competition with each other to make recoveries from a limited pool of assets (i.e. the assets of the Third Parties).
- (c) Third Parties will not be able to continue to challenge whether the Company is the correct claimant in respect of some claims against them as the Company will, after the Effective Date, be the owner of the Third Party Claims.
- (d) The costs of bringing Third Party Claims will be met by the Company.
- (e) The Company will be able to operate without Scheme Creditors being able to threaten to wind-up the Company or assert claims against the Company requiring the Directors to spend the Company’s limited resources investigating and, where appropriate, defending or settling those claims.
- (f) The mechanism contained in the Scheme for valuing Scheme Claims will prevent the possibility of costly and time consuming disputes over their value and any compensation payable in respect of them.

- (g) Should recoveries be such that the value of the Net Assets of the Company exceeds £10 million, a payment will be made by the Company which will enable a return of assets to Scheme Creditors (see paragraph 6.1) sooner than would be achievable in a liquidation or administration of the Company.
- (h) In the event of recoveries being made, Scheme Creditors might also obtain further compensation either through additional distributions in respect of their Securities or by the value of their Securities increasing.
- (i) The risk of the Company being placed into liquidation or administration will be reduced.
- (j) Scheme Creditors will retain the ability to dispose of their Securities should a Re-listing Event occur. Although it is impossible at this stage to say whether a re-listing of the Company is a realistic possibility, if the Company makes a substantial recovery through litigation and has significant cash resources, the Directors would certainly consider whether the best way to return value to the Company's members would be achieved by a re-listing.

14. WHAT ARE THE MAIN DISADVANTAGES OF THE SCHEME TO THE SCHEME CREDITORS?

The main disadvantages of the Scheme to Scheme Creditors are listed below:

- (a) Those Scheme Creditors who wish to pursue Third Party Claims in their own names for their own benefit (and at their own cost) will no longer be able to do so as all Third Party Claims will become assets of the Company and be treated as such.
- (b) There will be some actual or potential creditors of the Company with claims similar to Scheme Claims (such as former holders of Securities, holders or former holders of Derivatives, former beneficial owners of Securities) who fall outside the definition of "Scheme Creditor" and will not be bound by the Scheme. Such actual or potential creditors will be able to pursue their claims against Third Parties and the Company without restriction to the possible prejudice of Scheme Creditors. This category also includes creditors who return a Non-Participation Form in the manner described in paragraph 3.5. If significant numbers of creditors returned Non-Participation Forms, the ability of the Scheme to attain its purpose would be reduced.
- (c) In the event that recoveries are made under the Assigned Claims, the tax treatment of those recoveries is likely to be less favourable than if the recovery were made by the Scheme Creditor since tax could arise at the level of the Company and at the level of the Scheme Creditor. The Directors understand that any Special Payment made to a Scheme Creditor is likely to be treated for tax purposes as a chargeable gain, the amount of the gain depending on complex valuation issues. Although there is a risk that a taxable gain could arise on the Scheme Creditor disposing of his Third Party Claim, the amount of this gain is likely to be small. The main tax liability would accrue when the Scheme Creditor receives the Special Payment.
- (d) Scheme Creditors who disagree with the Scheme Claim Formula will no longer be able to have their claims or the claims of other Scheme Creditors valued by reference to any other factors or formulae.
- (e) All Scheme Claims will be treated as being of equal strength. The Third Party Claims of some Scheme Creditors might be stronger than the claims of other Scheme Creditors. Furthermore, the Scheme Claims of some Scheme Creditors might rank differently from those of others in a liquidation in either England or Bermuda. The Scheme places all Scheme Claims on an equal footing.

15. WHAT ARE THE ALTERNATIVES TO THE SCHEME?

The Company could do nothing. This would:

- (a) leave the Company exposed to claims from Scheme Creditors and, unless some other satisfactory solution were found, would lead to the Company being placed into liquidation or administration;
- (b) increase the prospects of delay and obstruction to any recoveries being made from Third Parties;

- (c) leave unresolved the issue of valuing claims against the Company which could then eat into the limited available assets of the Company;
- (d) leave Scheme Creditors free to bring their own claims against Third Parties which would cause a duplication of claims and expenses;
- (e) allow Third Parties to continue to challenge whether the Company is the correct claimant in respect of some claims; and
- (f) leave the Company and the Scheme Creditors in potential competition with each other to make recoveries from a limited pool of assets.

15.2 The Company could seek purely voluntary assignments of claims from creditors. This would:

- (a) lead to many time consuming individual discussions with creditors;
- (b) lead to potentially different treatment being received as between those creditors who do assign their claims and those who do not; and
- (c) not necessarily result in the Company obtaining assignments of sufficient value to enable it to avoid the continuation of the argument that certain of the Third Parties are making that the Company is not the correct claimant in respect of certain of the claims it is bringing and to avoid a risk that not all the monies frozen in the litigation will continue to be frozen or immediately recovered.

15.3 The Company could invite creditors of the Company to join the proceedings through either a representation order or a group litigation order.

In order to benefit from a representation order, one of the creditors would bring proceedings in its own name (either as an additional party to the current litigation or as a separate action) and would then apply to act as a representative for other creditors with the same interest. If such representation were permitted by the Court, the original creditor would act as a claimant and would represent both itself and the other creditors in the civil proceedings.

As an alternative to representation orders, it would be possible for the creditors to bring collective proceedings against Third Parties pursuant to a group litigation order. This is a relatively new mechanism which allows for the case management of claims which give rise to common or related issues of fact or law. To take effect, one of the creditors would again bring proceedings in its own name (either as an additional party to the current litigation or as a separate action) and would then apply to the Court for a group litigation order. If successful, a group register would be established onto which other creditors could then apply to be entered.

Having considered these alternatives, the Company considers an assignment of claims through the Scheme is in the best interests of the Scheme Creditors. The reasons for this are as follows:

- (a) Pursuant to both representation orders and group litigation orders, Scheme Creditors would be pursuing the claims against Third Parties in their own names (albeit on a collective basis). As such, it would be the Scheme Creditors that would be liable for the costs associated with issuing the proceedings, applying for the respective order and continuing with the litigation. As far as group litigation orders are concerned, each Scheme Creditor applying to join the group register would be required to pay the standard court fee due on the commencement of proceedings. Depending on the value of each individual claim and the nature of the relief sought, this would range from £400 to £1700 for every Scheme Creditor applying to be entered onto the group register. Pursuant to an assignment, Scheme Creditors would assign their respective claims to the Company which could thereafter seek to pursue those claims in its own name. Accordingly it would be the Company, and not Scheme Creditors, that would assume responsibility for discharging the litigation costs associated with the Assigned Claims.
- (b) On an assignment, it would be the Company alone that would be party to the proceedings. In that event, if any of the Assigned Claims were unsuccessful and an adverse costs order were granted in favour of the defendants, Scheme Creditors would only in exceptional circumstances be liable to make payment in respect of the same. By contrast, adverse costs orders could be made against one or more Scheme Creditors under both representation orders and group litigation orders. This potential liability is likely to act as a deterrent to many Scheme Creditors who would otherwise wish to pursue their Third Party Claims.

- (c) Certain Scheme Creditors may not want the publicity involved in bringing proceedings in their own names. Such publicity would generally be avoided if the Third Party Claims are assigned but is inevitable if they are not.
- (d) Pursuant to an assignment, the Company would remain the only claimant. The litigation in respect of all claims could therefore be easily managed and controlled without incurring the duplicative time and costs associated with multi-party actions.
- (e) The Company currently has the benefit of a worldwide freezing injunction granted in its favour against the defendants (principally the Named Persons). The proposed assignment would strengthen the Company's position vis-à-vis those defendants and would accordingly reduce their ability to strike out the proceedings and/or discharge the freezing injunction. Without an assignment, Scheme Creditors may be required (at their own cost) to apply for a further injunction in order to ensure that the existing restrictions on the dissipation of assets are maintained at the current levels. In this regard, the value of any injunction would be capped at the aggregate claim value of Scheme Creditors willing to participate in representative or group proceedings. There is a risk that this may be significantly less than the level of protection afforded by the injunction granted in favour of the Company.
- (f) As explained above, a representation order may only be made in respect of claims brought by parties who have the "same interest". The Company has been advised that the Court would not deem a representative action appropriate where numerous people each have an independent right to recover damages (as would be the case with Scheme Creditors) since no one Scheme Creditor has an interest in the damages recovered by another.
- (g) Only those Scheme Creditors who were parties to a group litigation order or representation order would be entitled to participate in recoveries from the Third Parties.
- (h) Scheme Creditors who were parties to a group litigation order or representation order would be acting in competition with the Company in respect of the same assets.

15.4 The Company could be placed into liquidation or administration and, in the view of the Directors, liquidation would be the better option of the two. Putting the Company into liquidation or administration would allow the Company to manage any claims that creditors may have against it. However, a liquidation would necessitate significant costs being expended on office-holders' fees and on meeting the many statutory obligations which would result therefrom. It seems likely to the Directors that, if the Company were to go into liquidation and the litigation were to be successfully pursued to judgment, the liquidators would be likely at that stage to propose a scheme as a cost-effective procedure for valuing creditors' claims and distributing the assets of the Company.

15.5 Having considered all of the points above, the Directors consider that the Scheme is the best approach in the interests of all Scheme Creditors.

16. INFORMATION ON DIRECTORS

16.1 Who are the current directors?

The following persons are Directors:

David Buchler;

Christopher Wallis; and

Sir Jeremy Hanley KCMG, Chartered Accountant.

16.2 DB Consultants Limited ("DB Consultants")

DB Consultants is a company incorporated in England and Wales. It was incorporated in 2003. David Buchler is the founder and Chairman of DB Consultants and holds 99 per cent. of its share capital. The services of David Buchler and Christopher Wallis as Directors are obtained through DB Consultants. Prior to establishing DB Consultants, David Buchler was a partner in Arthur Andersen between 1982 and 1987 and a founding partner of Buchler Phillips. Following the sale of Buchler Phillips to Kroll Inc in 1999, David Buchler became a director of Kroll Limited. David Buchler has been a licensed insolvency practitioner since the introduction of the licensing system. DB Consultants has entered into a consultancy agreement with the Company dated 11 May 2006 (the "Consultancy Agreement"). A copy of the Consultancy Agreement is on the Company's website (www.langbar.com) and available for inspection at the offices of DB Consultants

(12 Curzon Street, Mayfair, London W1J 5HL). Pursuant to the Consultancy Agreement, DB Consultants provides the following services to the Company (the “Services”):

- (a) executive management services;
- (b) asset recovery consultancy services;
- (c) managing the pursuit and defence of litigation relating to the recovery of assets of the Company;
- (d) managing and complying with official investigations into the Company’s affairs or the recovery of its assets; and
- (e) engaging and managing the Company’s professional advisers.

The appointment of DB Consultants as consultant to the Company is to last until terminated for breach or on either party giving the other 12 months notice.

16.3 Directors’ Interests in Securities

None of the Directors holds any Securities. However, the remuneration payable by the Company to DB Consultants (as summarised below) is based on the value of recoveries made by the Company (including in litigation) and is payable either in cash or share options.

16.4 How is the remuneration of DB Consultants calculated?

DB Consultants receives remuneration for the Services by way of:

- (a) a monthly fee of £8,000 plus VAT, which the Company acknowledges in the Consultancy Agreement is designed solely to cover the actual costs incurred in providing the Services; and
- (b) a fee payable in cash or share options based on recoveries (“Success Fee”) and calculated as 10 per cent. of Gross Recovered Sum and Assets up to £25 million and 5 per cent. of any excess over £25 million. “Gross Recovered Sum and Assets” means “the aggregate cash and the fair market value of any assets recovered by DB Consultants by the provision of the Services”.

Accordingly, any recovery made under the Assigned Claims will increase the amount of the Gross Recovered Sum and Assets and the amount payable to DB Consultants as the Success Fee.

In addition, if the Consultancy Agreement is terminated by the Company (otherwise than for breach by DB Consultants) prior to its fourth anniversary, DB Consultants will be entitled to a termination payment of between £300,000 (if termination occurs between year three and four) and £600,000 (if termination occurs in the first year).

Sir Jeremy Hanley’s contract with the Company is for an initial period of 12 months (and commenced on 4 April 2006). Under this contract, Sir Jeremy Hanley receives £25,000 per annum. In addition, the board may in its absolute discretion pay a bonus to him of such amount as the board may determine.

17. FUTURE COMMUNICATIONS WITH SCHEME CREDITORS

As soon as practicable after the Effective Date, Scheme Creditors will be advised that the Scheme has become effective. The Company will write to each Scheme Creditor within 60 days of the Effective Date requiring the Scheme Creditor to submit details of their holdings of Securities and the price at which such Securities were purchased. If within 90 days from the date of that letter the Scheme Creditor has not supplied the information requested, the Company shall be entitled to treat each Security (the price of which was not notified within that 90 day period) as purchased at a price reasonably determined by the Company taking into account the date on which the Securities were purchased and other information available to it (which may be a nominal valuation for the purposes of the Special Payment if the date on which the Securities were purchased is unknown) and the relevant Scheme Creditor’s Scheme Claim Value will be calculated accordingly.

18. THE VOTING PROCESS

18.1 The Scheme Meeting

Section 425 of the Companies Act 1985 requires an application to be made by the Company to the Court for permission to convene the Scheme Meeting to consider, and, if thought fit, approve the Scheme. The Company has made such an application. The Scheme and the Explanatory Statement are being sent out to Scheme Creditors and the Scheme Meeting is being convened pursuant to an order dated 1 September 2006 made by the Court on that application.

The Court has ordered that there will be one Scheme Meeting.

The Scheme Meeting will be held on 6 October 2006 commencing at 10.30 a.m. at The New Connaught Rooms, 61-65 Great Queen Street, Covent Garden, London WC2B 5DA.

18.2 Who is entitled to vote?

- (a) Persons entitled to vote are creditors who are Registered Holders or persons who, although not Registered Holders, are beneficial owners of Securities immediately prior to the Record Date (the date of the notice convening the Scheme Meeting) and who remain beneficial owners of the Securities at the date of the Scheme Meeting and, in each case, who, immediately prior to the Record Date and at the date of the Scheme Meeting have Scheme Claims and Third Party Claims and are not Excluded Persons or nominees for Excluded Persons. For the reasons given in paragraph 12, Registered Holders will, in practice, be those persons whose names appear on the relevant register as at the dates mentioned in that paragraph (28 November 2005 and 2 December 2005).
- (b) As further explained at (e) below, to avoid “double counting” of votes, if a person exercises a vote for a Scheme Claim Value relating to Securities held by that person as nominee or trustee and the beneficial owner of those Securities also exercises a vote in respect of the same Securities, the vote of the beneficial owner will be taken into account in the calculation of the requisite majorities at the Scheme Meeting to the exclusion of the vote of the nominee or trustee.
- (c) Subject to the rules at (d), (e) and (f) below, for the purposes of determining whether the requisite majority by number has approved the Scheme, each Scheme Creditor will have one vote at the Scheme Meeting irrespective of the number of Securities that Scheme Creditor holds and/or beneficially owns or whether that Scheme Creditor holds and/or beneficially owns both Common Shares and Depositary Interests.
- (d) Capita is an Excluded Person and, accordingly, is not a Scheme Creditor. Capita holds its Common Shares as nominee, pursuant to the Trust Deed Poll, for holders of Depositary Interests.
- (e) Where a Scheme Creditor holds Securities as nominee or trustee (“nominee”) for more than one beneficial owner, that Scheme Creditor will be able to vote their Scheme Claim Value (which will be valued as the aggregate value of the Scheme Claim Values of the beneficial owners of those Securities) either for or against the Scheme, or partly for and partly against the Scheme to reflect directions given to them as nominees. This principle also applies where a Scheme Creditor holds some Securities as nominee and some in its own right. It should be noted that, where a vote by value is split in the manner described, the Scheme Creditor must indicate the amount of the aggregate voting value voted for the Scheme and that voted against the Scheme.

To avoid double counting, for the purposes of determining whether the requisite majority by number has approved the Scheme, a nominee will have one vote for each beneficiary the value of whose Scheme Claim is included in the voting value voted by the nominee. Where the nominee votes and a beneficial owner of the same Securities also votes, the beneficial owner will have one vote in the calculation of the majority by number and the vote of the nominee will be reduced to exclude that beneficiary.

The Directors have decided that if, in relation to the same Securities, two or more persons claim entitlement to vote and to have their votes counted in determining the requisite majorities, the dispute should be referred by the Chairman to a suitably qualified independent person. The Company has, therefore, appointed the Vote Adjudicator and the details and

qualifications of the person appointed are set out in Appendix 4. The procedure is further described in paragraph 18.9.

Scheme Creditors who hold Securities as nominee should use the Special Form of Proxy for Nominees and Trustees provided with this document, specifically for this purpose. Further guidance on this is given in paragraph 19.5.

- (f) As explained in paragraph 3.5, a person who would otherwise be a Scheme Creditor may, by returning a duly executed Non-Participation Form received by the Company at least 48 hours prior to the Scheme Meeting, opt out of the Scheme in respect of the Scheme Claims and Third Party Claims arising from the Securities set out in the Non-Participation Form. The following will then apply:
- (i) If a person who is a Registered Holder returns a Non-Participation Form in respect of Securities and the beneficial owner of those Securities does not,
 - (1) the beneficial owner of the Securities will (subject to the other terms of the Scheme) be a Scheme Creditor;
 - (2) the Registered Holder will be an Excluded Person in respect of the Scheme Claims and Third Party Claims arising from the Securities; and
 - (3) if the beneficial owner attends and votes (in person or by proxy) at the Scheme Meeting, its votes will be included in the calculation of the requisite majorities.
 - (ii) If a person who beneficially owns Securities and who would otherwise be a Scheme Creditor returns a Non-Participation Form but the Registered Holder of those Securities does not,
 - (1) the beneficial owner will be an Excluded Person;
 - (2) the Registered Holder will not (subject to the other terms of the Scheme) be an Excluded Person; and
 - (3) if the Registered Holder attends and votes (in person or by proxy) at the Scheme Meeting and includes in its voting value the value of the beneficial owner's Scheme Claim Value, for the purposes of calculating the requisite majorities the number of votes represented by the Registered Holder will be reduced by one and the voting value represented by the beneficial owner's Scheme Claim Value will be ignored.
- (g) As well as Capita, also excluded from the Scheme (as "Excluded Persons") are the Named Persons (and people connected with them) whom the Company believes are responsible for the frauds against the Company, and any person holding shares as nominee for such person. Pursuant to Bye-law 55 of the Company's Bye-laws, the Company has asked each entity that it believes holds Securities as a nominee for a Named Person to identify on whose behalf the Securities in its name are held. If by 7 days prior to the Scheme Meeting any such nominee has provided no or an insufficient response or has declined to provide the information requested, the Chairman of the Scheme Meeting may in his absolute discretion discount the vote of such person.
- (h) Mr Stuart Pearson (a former director of the Company who resigned on 10 February 2006) and members of his immediate family own approximately 2 million Common Shares. Mr Pearson was involved in the announcements made regarding the Company's assets in July and August 2005 (which are now known to have been false). The Company has no reason to believe that Mr Pearson was implicated in the frauds that have been committed and he is not a Named Person. However, because of Mr Pearson's involvement with the announcements, the Company does not consider that it would be appropriate for Mr Pearson or his immediate family to be included in the Scheme and they are, therefore, Excluded Persons.
- (i) The Company is not aware that Mr Philip Wood (a former director of the Company who resigned on 16 December 2005) owns any Securities in the Company. However, the Company considers that, for the purposes of the Scheme, Mr Wood should be treated in the same way as Mr Pearson. (As with Mr Pearson, Mr Wood was involved with the announcements which the Company made in July and August 2005, but the Company has no reason to believe that Mr Wood was implicated in the frauds which have been committed and he is not a Named

Person.) Accordingly Mr Wood is also an Excluded Person so that, if it emerges that Mr Wood is a beneficial owner of any Securities, he will not be a Scheme Creditor.

18.3 Value for voting

The valuation of each Scheme Creditor's vote must be ascertained in order to determine whether the statutory majority by value under Section 425 of the Companies Act 1985 has been achieved at the Scheme Meeting.

Each Scheme Creditor is entitled to vote for the Scheme Claim Value of its Scheme Claim. In principle, the voting value of Scheme Claims should be proportionate to the value of their respective claims against the Company in relation to those matters covered by the definition of Scheme Claim.

It has not been possible in the time available since December 2005 to assess the individual merits or value of each Scheme Creditor's Scheme Claim. Such an assessment would be a disproportionately lengthy and costly process.

The approach adopted by the Company has been to take the price paid (where applicable converted into £ Sterling as indicated at paragraphs 5.3 and 6.1) by the Scheme Creditor for the Securities currently held and/or beneficially owned by that Scheme Creditor and allow that amount as the voting value of the Scheme Claim. The Company considers this a fair and reasonable approach and this approach has been approved by the Court as the method for determining voting value.

It has not been possible in the time available to obtain independent confirmation of the price paid by Scheme Creditors for their Securities. Accordingly, the approach taken by the Company is to require Scheme Creditors to certify their Scheme Claim Value to the Company for the purposes of voting at the Scheme Meeting. Scheme Creditors are required to certify the Scheme Claim Value of their Scheme Claims on the Claim Form included with this document. In the event of a dispute with a Scheme Creditor over the Scheme Claim Value for voting purposes, the Company is entitled to require evidence of the Scheme Claim Value and will notify the Scheme Creditor where that is the case.

Scheme Creditors will have received a Claim Form with this document. Details of what Scheme Creditors should do with their Claim Form are set out in paragraph 18.5 and in the guidance notes in paragraph 19.

Scheme Creditors will also have received a Form of Proxy and Special Form of Proxy for Nominees and Trustees with this document. Details of what Scheme Creditors should do with their Form of Proxy or, as applicable, Special Form of Proxy for Nominees and Trustees are set out in paragraphs 18.4 and 18.5 and in the guidance notes in paragraph 19.

18.4 Ways to vote

Scheme Creditors may vote either in person by attending the Scheme Meeting or by proxy using the Form of Proxy or, as applicable, Special Form of Proxy for Nominees and Trustees provided with this document. Scheme Creditors that are companies and intend to be represented in person at the Scheme Meeting should appoint in writing a corporate representative pursuant to Section 375 of the Companies Act 1985.

Scheme Creditors are urged to return their Form of Proxy or, as applicable, Special Form of Proxy for Nominees and Trustees irrespective of whether they propose to attend the Scheme Meeting in person. Returning a Form of Proxy or Special Form of Proxy for Nominees and Trustees does not preclude you from attending the Scheme Meeting and voting in person.

18.5 Return of the Form of Proxy and Claim Form

The Form of Proxy (which is to be used where the Securities that you hold are owned beneficially by you or where you are beneficially entitled to Securities held by a third party as nominee on your behalf) and Claim Form should be returned as soon as possible by post, using the pre-paid envelope provided, to the Company c/o DB Consultants, 12 Curzon Street, Mayfair, London, W1J 5HL or by hand only to the Company at that address and in either event so as to be received (whether returned by post or by hand) by the Company not later than 48 hours before the time appointed for holding the Scheme Meeting. Alternatively, a Form of Proxy and Claim Form may be delivered by hand to

the Chairman at the Scheme Meeting. Scheme Creditors who return a Form of Proxy may attend the Scheme Meeting to cast their vote in person if they so wish.

Where you beneficially own Securities held on your behalf by a nominee, you may direct your nominee to vote your Scheme Claim Value, which the nominee can do on the Special Form of Proxy for Nominees and Trustees. However, this does not preclude you either from attending the Scheme Meeting and voting or voting by proxy using the Form of Proxy. If you do vote in person or by the Form of Proxy, any vote that you may have directed your nominee to vote on your behalf will be discounted in calculating the requisite majorities at the Scheme Meeting.

18.6 After the Scheme Meeting

Provided that the requisite majorities are obtained at the Scheme Meeting, the Chairman will prepare a detailed report to the Court stating the result of the Scheme Meeting, any difficulties concerning the voting and any substantive issues raised by Scheme Creditors during the Scheme Meeting. An application will then be made to the Court to sanction the Scheme. If the requisite majorities are not obtained at the Scheme Meeting, the Scheme will not proceed to be sanctioned by the Court and it will not become effective.

18.7 Sanction by the Court

The Company's application to seek an order from the Court sanctioning the Scheme will be held as soon as practicable after the results of the Scheme Meeting are known. Scheme Creditors will be able to attend and be represented on the application (either supporting or opposing it as they wish).

The key matters that will be taken into account by the Court when considering whether the Scheme should be sanctioned are:

- (a) whether all statutory conditions have been satisfied under Section 425 of the Companies Act 1985;
- (b) whether the persons summoned to the Scheme Meeting were fairly represented as a single class and whether the majority voting at the Scheme Meeting acted in good faith; and
- (c) generally whether the compromise contained in the Scheme is such that an intelligent and honest person, acting in his or her own interest, could reasonably approve.

The Court will be concerned to establish that the Scheme constitutes a genuine compromise or arrangement between the Company and its Scheme Creditors, there being some element of accommodation on each side and not the mere expropriation of rights of Scheme Creditors without compensation.

18.8 Effective Date of the Scheme

If the Court sanctions the Scheme, an office copy of the order of the Court sanctioning the Scheme will be delivered to the Registrar of Companies for registration whereupon the Scheme will become effective.

18.9 Vote Adjudicator

As mentioned in paragraph 18.2(e), a dispute on entitlement to vote in respect of particular Securities may be referred by the Chairman to the Vote Adjudicator. The Vote Adjudicator will be given access to the Company's records, may ask for further documents and materials and may require personal attendance. The Vote Adjudicator shall act as expert and not arbitrator and his decision shall be binding (save in the case of manifest error, and any such error shall be corrected by him) and final (to the extent permitted by law).

19. GUIDANCE NOTES ON ATTENDANCE AT THE SCHEME MEETING AND INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY, CLAIM FORM AND SPECIAL FORM OF PROXY FOR NOMINEES AND TRUSTEES

19.1 Introduction

(a) This paragraph 19.1(a) applies where you are not a nominee

If you are a Scheme Creditor, you will be entitled to attend and vote, either in person or by proxy, at the Scheme Meeting summoned to consider the Scheme which has been convened to be held at 10.30 a.m. on 6 October 2006.

The Scheme Meeting is to be held at The New Connaught Rooms, 61-65 Great Queen Street, Covent Garden, London WC2B 5DA.

It is important to note that each Scheme Creditor is required to certify on its Claim Form the price that it paid for its holding of Securities.

If you are in doubt about your entitlement to vote or your Scheme Claim Value, please contact info@langbar.com.

A Form of Proxy and Claim Form is enclosed with this document.

If you wish to vote at the Scheme Meeting, you must:

- (i) attend and vote in person (or, if a corporation, by a duly authorised representative) bringing your Admission Card with you; or
- (ii) appoint a person as your proxy; such a person does not have to be a Scheme Creditor, and in each case, complete and return the Claim Form.

If you intend to vote directly as beneficial owner and your Securities are held by a nominee or trustee please do not instruct your nominee or trustee to cast your vote.

(b) This paragraph 19.1(b) applies where you are a nominee

If you are a Scheme Creditor but hold the Securities to which the Scheme Claim relates as nominee (directly or indirectly) for the person that beneficially owns the Securities, you may attend and vote, either in person or by proxy, at the Scheme Meeting, in which case paragraph 19.1(a) will apply with the addition that you should complete the Special Form of Proxy for Nominees and Trustees (including Schedules 1 and 2) which provides for detailed information relating to Scheme Claims (instead of the Form of Proxy); you need not complete a Claim Form; and, if you attend the Scheme Meeting in person, you will be asked to complete a form of mandate disclosing the same information as is requested on the Special Form of Proxy for Nominees and Trustees. As nominee, you should ensure that you are duly authorised to represent any co-trustees at the Scheme Meeting in accordance with the instrument constituting the nominee relationship or the trust.

19.2 Attendance in person or by a corporate representative

If you intend to be present at the Scheme Meeting in person or by a corporate representative, you are requested to bring the Admission Card (enclosed with this document) with you to the Scheme Meeting.

If you are a corporation and wish to appoint a corporate representative to attend the Scheme Meeting on your behalf, you should arrange for a written authority under Section 375 of the Companies Act 1985 to be prepared and signed.

If you are a joint holder of Securities (unless all joint holders are attending the Scheme Meeting), you should ensure that a person (who may be the Chairman of the Scheme Meeting or a joint shareholder) is appointed proxy to attend the Scheme Meeting on behalf of all joint holders. All joint holders must sign each Proxy Form and Claim Form.

19.3 Form of Proxy and Claim Form (the Special Form of Proxy for Nominees and Trustees is discussed in paragraph 19.5 below)

(a) Preliminary

You are strongly recommended to complete and return the Form of Proxy and Claim Form even if you propose to attend the Scheme Meeting in person.

You may appoint the Chairman of the Scheme Meeting, or some other person, as your proxy. If you appoint a person other than the Chairman as your proxy, that person must attend in person at the Scheme Meeting in order to represent you.

Before completing the Form of Proxy, please read this paragraph 19.3 and the notes on the Form of Proxy itself very carefully.

Before completing the Claim Form, please read paragraph 19.4 and the notes on the Claim Form itself very carefully.

(b) **Specific instructions for completion of Form of Proxy**

If you wish to appoint a person other than the Chairman of the Scheme Meeting as your proxy, please enter the name and address of the person to be appointed in the box at Step 1 and, as indicated in that box, delete the reference to the Chairman of the Scheme Meeting. Do not complete this box with your own name and address. The person to be appointed as your proxy need not be a Scheme Creditor. If you have appointed a person other than the Chairman as your proxy, that person must attend in person at the Scheme Meeting in order to represent you.

It is particularly important that at Step 2 you sign the Form of Proxy indicating by your signature whether the person appointed as your proxy is to vote 'For' or 'Against' the Scheme. If you wish to instruct your proxy to vote for the Scheme, please sign the box marked 'FOR'. If you wish to instruct your proxy to vote against the Scheme, please sign the box marked 'AGAINST'.

If you are the duly authorised representative of a corporation, a board of trustees, a partnership or other unincorporated body of persons, or the duly authorised agent and/or attorney of a Scheme Creditor, you should indicate adjacent to your signature the capacity in which you have signed the Form of Proxy (for example, director, partner, agent and/or attorney). Please note that, if you are the duly authorised representative of a number of companies, a separate Form of Proxy should be completed in respect of each company.

When completed, the Form of Proxy should be returned with the Claim Form as soon as possible by post, using the reply-paid envelope provided, to the Company **c/o DB Consultants, 12 Curzon Street, Mayfair, London W1J 5HL** or by hand only to the Company at that address and in any event so as to be received not later than 48 hours before the time appointed for holding the Scheme Meeting. Alternatively, the Form of Proxy may be handed to the Chairman at the Scheme Meeting.

(c) **Warranties**

By signing and returning the Form of Proxy or Special Form of Proxy for Nominees and Trustees you will be regarded as having warranted to the Company that you are the person named on the Form of Proxy or the Special Form of Proxy for Nominees and Trustees or that you are duly authorised to sign it on that person's behalf.

(d) **Further information**

If you have any questions regarding the completion of the Form of Proxy, Special Form of Proxy for Nominees and Trustees, Claim Form or otherwise, please contact the Company on info@langbar.com.

19.4 Claim Form

(a) **Preliminary**

In order to be able to vote at the Scheme Meeting, you must (subject to what is said in paragraph 19.5, which only applies to nominees or trustees) complete the enclosed Claim Form. This will enable the Chairman of the Scheme Meeting to place a value on your vote for the purpose of determining whether a majority in value of 75 per cent. has been achieved.

You should complete the Claim Form in respect of claims arising under Securities in relation to which you are a Scheme Creditor. For the purposes of the Claim Form, "Securities" means any Common Shares and/or Depositary Interests held by you at the Record Date or, if not held in your name, held by a nominee or trustee for you as beneficial owner.

Please note that any Securities that you have purchased but since sold before the date of the Scheme Meeting shall not be considered for the purposes of valuing your Scheme Claim.

Scheme Creditors who hold Securities jointly must each sign the Claim Form by themselves or by their duly authorised agent(s). If the Securities are held on trust, signature by the current trustees or their duly authorised agent(s) should be obtained.

Any claim(s) entered on the Claim Form will be used for voting purposes only and not for the purpose of establishing Scheme Claims under the Scheme. The amount of the Scheme Claim

admitted for voting purposes shall not constitute an admission of the existence of any liability of the Company.

Where you are completing the Special Form of Proxy for Nominees and Trustees, it will not be necessary for you to complete a Claim Form, the information on the Special Form of Proxy for Nominees and Trustees including the information requested on the Claim Form.

Before completing the Claim Form, please read this paragraph 19.4 and the notes on the Claim Form itself very carefully.

(b) Specific instructions for completion of the Claim Form

The name of the Scheme Creditor whose Scheme Claim is being certified should be inserted in the space marked “Scheme Creditor Name” on the Claim Form.

Full details of the Securities to which the Scheme Claim relates should be inserted in the table on the Claim Form. Such details should include the nature of the Securities (i.e. Common Shares or Depositary Interests), the date the Securities were purchased and held and/or beneficially owned at the date of the Record Date, the number of such Securities held and/or beneficially owned and the price paid for the Securities.

The Claim Form should then be signed by either the Scheme Creditor or a duly authorised representative. If you are a duly authorised representative of a corporation, a board of trustees, a partnership or other unincorporated body of persons, or the duly authorised agent and/or attorney of a Scheme Creditor, you should indicate below your signature the capacity in which you have signed the Claim Form (for example, director, partner, agent and/or attorney). Please note that if you are the duly authorised attorney of a number of companies, a separate Claim Form should be completed in respect of each company.

In order to assist you further in completing the Claim Form there is a specimen completed Claim Form attached to the Claim Form itself.

When complete, the Claim Form should be returned, along with the Form of Proxy, as soon as possible by post, in the pre-paid envelope provided, to the Company c/o DB Consultants Limited, 12 Curzon Street, Mayfair, London W1J 5HL or by hand to DB Consultants Limited, 12 Curzon Street, Mayfair, London W1J 5HL and in any event so as to arrive no later than 48 hours before the time appointed for the holding of the Scheme Meeting. Completed Claim Forms may also be handed to the Chairman at the Scheme Meeting.

(c) Warranties

By signing and returning the Claim Form, you will be regarded as having warranted to the Company that you are the person named on the Claim Form or that you are duly authorised to sign the Claim Form on that person’s behalf. In addition, by signing and returning the Claim Form, you will be regarded as certifying that the information that you provide on the Claim Form is true and correct.

19.5 Special Form of Proxy for Nominees and Trustees

(a) Preliminary

Where you are entitled to vote but hold the Securities to which the Scheme Claim relates as nominee (directly or indirectly) for the beneficial owner, the Special Form of Proxy for Nominees and Trustees should be used instead of the Form of Proxy.

(b) Special Instructions for completion of the Special Form of Proxy for Nominees and Trustees

The comment made in the first part of paragraph 19.3(a) applies equally to the Special Form of Proxy for Nominees and Trustees.

The comments made in the first, third and fourth parts of paragraph 19.3(b) apply equally to the Special Form of Proxy for Nominees and Trustees.

Please note when completing the Special Form of Proxy for Nominees and Trustees that the aggregate amount of the vote value voted ‘FOR’ and ‘AGAINST’ must not exceed the voting values of the Scheme Claims of the beneficial owners of the Securities details of which you are requested to set out in Schedule 1 to that form, or the vote will be spoilt and will not count as a

valid vote on the Scheme. Before completing the Special Form of Proxy for Nominees and Trustees, please read the notes on that form very carefully.

20. DOCUMENTS AVAILABLE FOR INSPECTION

This Explanatory Statement refers to various documents which are to be made available for inspection both online on the Company's website (www.langbar.com) and in hard copy at DB Consultants Limited, 12 Curzon Street, Mayfair, London W1J 5HL and at the offices of Messrs Lovells, Atlantic House, Holborn Viaduct, London EC1A 2FG. A list of these documents is set out in Appendix 3.

APPENDIX 1

TEXT OF SECTION 425 AND 426 OF THE COMPANIES ACT 1985

425 Power of company to compromise with creditors and members

- (1) Where a compromise or arrangement is proposed between a company and its creditors, or any class of them, or between the company and its members, or any class of them, the court may on the application of the company or any creditor or member of it or, in the case of a company being wound up, or in administration, of the liquidator, or administrator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members (as the case may be), to be summoned in such manner as the court directs.
- (2) If a majority in number representing three-fourths in value of the creditors or class of creditors or members or class of members (as the case may be), present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement, if sanctioned by the court, is binding on all creditors or the class of creditors or on the members or class of members (as the case may be), and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.
- (3) The court's order under subsection (2) has no effect until an office copy of it has been delivered to the registrar of companies for registration; and a copy of every such order shall be annexed to every copy of the company's memorandum issued after the order has been made or, in the case of a company not having a memorandum, of every copy so issued of the instrument constituting the company or defining its constitution.
- (4) If a company makes default in complying with subsection (3), the company and every officer of it who is in default is liable to a fine.
- (5) An order under subsection (1) pronounced in Scotland by the judge acting as vacation judge in pursuance of section 4 of the Administration of Justice (Scotland) Act 1933 is not subject to review, reduction, suspension or stay of execution.
- (6) In this section and the next -
 - (a) "company" means any company liable to be wound up under this Act; and
 - (b) "arrangement" includes a reorganisation of the company's share capital by the consolidation of shares of different classes or by division of shares into shares of different classes, or by both of those methods.

426 Information as to compromise to be circulated

- (1) The following applies where a meeting of creditors or any class of creditors, or of members or any class of members, is summoned under section 425.
- (2) With every notice summoning the meeting which is sent to a creditor or member there shall be sent also a statement explaining the effect of the compromise or arrangement and in particular stating any material interests of the Directors (whether as directors or as members or as creditors of the company or otherwise) and the effect on those interests of the compromise or arrangement, in so far as it is different from the effect on the like interests of other persons.
- (3) In every notice summoning the meeting which is given by advertisement there shall be included either such a statement as above-mentioned or a notification of the place at which, and the manner in which, creditors or members entitled to attend the meeting may obtain copies of the statement.
- (4) Where the compromise or arrangement affects the rights of debenture holders of the company, the statement shall give the like explanation as respects the trustee of any deed for securing the issue of the debentures as it is required to give as respects the company's directors.
- (5) Where a notice given by advertisement includes a notification that copies of a statement explaining the effect of the compromise or arrangement proposed can be obtained by creditors or members entitled to attend the meeting, every such creditor or member shall, on making application in the manner indicated by the notice, be furnished by the company free of charge with a copy of the statement.

- (6) If a company makes default in complying with any requirement of this section, the company and every officer of it who is in default is liable to a fine; and for this purpose a liquidator or administrator of the company and a trustee of a deed for securing the issue of debentures of the company is deemed an officer of it.

However, a person is not liable under this subsection if he shows that the default was due to the refusal of another person, being a director or trustee for debenture holders, to supply the necessary particulars of his interests.

- (7) It is the duty of any director of the company, and of any trustee for its debenture holders, to give notice to the company of such matters relating to himself as may be necessary for purposes of this section; and any person who makes default in complying with this subsection is liable to a fine.

APPENDIX 2

1. FORMATION AND LISTING ON AIM

1.1 The Company's business activities

The Company was established by Mr Mariusz Rybak ("Mr Rybak") in Bermuda on 4 June 2003 under the name of Crown Corporation Limited. Mr Jean-Pierre Regli ("Mr Regli"), Mr Wolfgang Menzel ("Mr Menzel"), and Mr Rybak were each appointed as a director of the Company on 6 August 2003. Mr Menzel resigned as a director on 18 December 2003. Mr Friedrich Kramer was appointed as a non-executive director in October 2003 (and resigned on 6 June 2005). Some controversy exists as to the circumstances of Mr Menzel's resignation.

The Company was listed on the Alternative Investment Market ("AIM") in London on 31 October 2003. The main subscribers for Common Shares in the Company on its floatation were a German company Allgemeine Vermögensverwaltung Frankfurt AG ("AVF") and a Delaware incorporated company, Lambert Financial Investments Limited ("Lambert"). Abraham "Avi" Arad Hochman ("Mr Hochman") was the principal director of Lambert. Lambert did not pay for its Common Shares with cash, but instead provided an "international certificate of deposit" purportedly issued by Banco do Brasil SA certifying that US\$275,000,000 had been deposited at the bank payable to the order of the Company (the "2003 CD"). Common Shares were also held by the other persons named below (who are some of the Named Persons referred to in paragraph 9 of the Explanatory Statement) and in particular by Mr Rybak and a company admitted by Mr Rybak to be controlled by him, namely CMC Crown Management Corporation Limited ("CMC").

Following the admission onto AIM (and taking account of the subscription agreements entered into with AVF and Lambert), the total number of issued Common Shares in the Company was 70,000,000 which can be broken down as follows:

Name	Shares
Mr Rybak/CMC	7,600,000 (not including 100,000 founder shares)
Mr Menzel	7,600,000
Mr Regli	840,000
U Demagistri	3,400,000
P Demagistri	3,350,000
P Michelutti	3,320,000
Lambert	41,400,000
AVF	2,490,000
TOTAL	70,000,000

The AIM Regulations and the CREST manual do not provide for the direct holding and settlement of foreign securities by participants in CREST (CREST is the system by which shares registered on AIM can be traded). As the Company was incorporated in Bermuda, it entered into an agreement with Capita IRG Trustees Limited ("Capita") whereby shareholders wishing to trade electronically would transfer their shares to Capita in return for interests known as Depositary Interests. Electronic trading in shares in the Company would then be effected by transfers of these Depositary Interests. Capita held Common Shares on trust for the holders of the Depositary Interests. Capita is defined as an Excluded Person in the Scheme as Capita simply provided a service whereby the Depositary Interests could be transferred and had no beneficial interest in the Common Shares and was not otherwise involved with the Company's affairs.

Although the Scheme refers to both Common Shares and Depositary Interests in the Company, for practical purposes, these are being treated in the same way in the Scheme. As such no distinction is made between them in this document, we refer to them both here as "Securities".

The Company's AIM admission document stated that the Company intended to establish itself as a diversified holding company providing management and other services to companies in which it would hold substantial interests. The Company's primary objective was said to be to create value for its shareholders by making investments in publicly traded companies in which, via its directors, managers and external advisers it could assume an active role and have significant influence over the management and direction. The Company now believes these statements to be inaccurate. However, for background (and without verifying the accuracy of its contents) a copy of the Company's AIM admission document is on the Company's website: www.langbar.com.

In November and December 2003, the Company announced that it had exchanged contracts with various Argentinian entities in respect of the installation of waste management, water treatment infrastructure and security products and services.

The benefit of these contracts was subsequently assigned to Lambert in May 2004 in exchange for a promissory note in the sum of US\$350,000,000 payable on 31 May 2005 or earlier on demand. On 1 June 2005, the Company announced that Lambert had met its obligations to the Company pursuant to the promissory note by way of issue of a further certificate of deposit issued by Banco do Brasil in favour of the Company. This further certificate (the "2005 CD") was stated to be for the sum of US\$367,500,000 and was purported to mature on 13 December 2009. Since the 2005 CD is believed to be false, Lambert remains liable for the outstanding monies owed under the promissory note.

Save for these purported contracts, the Company appears to have been involved in a series of abortive transactions throughout its history, none of which appear to have resulted in any substantial purchase or investment by the Company.

1.2 Events leading up to suspension

On 6 June 2005, Mr Rybak resigned as a director of the Company and Mr Stuart Pearson ("Mr Pearson") was appointed as Chief Executive of the Company. Mr Philip Wood ("Mr Wood") was appointed as a non-executive director of the Company on 13 June 2005.

In July 2005, Mr Pearson, Mr Wood and Mr Hochman travelled to Brazil in order to investigate the status of assets of the Company which were believed at that time to be held by Banco do Brasil, and to discuss the possibility of transferring these assets outside of Brazil. Subsequent to that trip, the Company announced on 19 July 2005 that it had received confirmation from Banco do Brasil as to the Company's ownership of dollar term deposits in the total sum of US\$659,600,000.

On 16 December 2004, the Company approved a transaction whereby it would contribute the 2003 CD to Crown Pharmaceuticals Ltd ("Pharma"), a wholly owned subsidiary of the Company, and would thereafter distribute its shares in Pharma to its shareholders as a dividend in specie so that each shareholder would receive one Pharma share for each Common Share and, under Bye-law 12.3.3 of the Company's Bye-laws, CMC would receive the same number of shares as the total number received by the holders of the Common Shares. This transaction was subsequently unwound and, on 6 June 2005, the Company repurchased the 2003 CD from Pharma in consideration for the issue to Pharma of 71,000,000 Common Shares. These shares were allotted to Pharma on 25 July 2005 and thereafter distributed pro rata to its own shareholders. As a result of this transaction, Mr Rybak and/or CMC are believed to have received a tranche of approximately 40 million Common Shares. This is in addition to the further total of 25,127,525 Common Shares issued to Mr Rybak/CMC during 2005 by way of purported satisfaction of unpaid debts and dividends.

On 18 August 2005, the Company announced that its brokers, Arden Partners Limited ("Arden"), had placed 9,100,000 new Common Shares of €0.001 each in the capital of the Company and placed a further 9,100,000 existing Common Shares on behalf of Lambert. On or about 31 August 2005, Mr Hochman informed Mr Pearson that ABN AMRO Bank in the Netherlands ("ABN AMRO") had agreed to a transfer of the 2003 CD from Banco do Brasil and, on 1 September 2005, Mr Pearson received a copy of a certificate of deposit purportedly issued by ABN AMRO dated 30 August 2005 in the sum of US\$294,000,000 ("the ABN AMRO CD"). The Company subsequently made an announcement to this effect on 6 September 2005.

However, on 11 October 2005, and as a result of a request made by Mr Pearson to verify the ABN AMRO CD, Arden reported to the Company that ABN AMRO had confirmed that it did not

recognise the ABN AMRO CD, that the Company did not have an account with ABN AMRO and that ABN AMRO no longer issued paper certificates of deposit.

On 12 October 2005, trading in the Securities in the Company on AIM was suspended.

It appears that before June 2005, there had been relatively little trading on AIM in the Securities of the Company. In the period between June and October 2005, a number of private and institutional investors acquired Securities. The Company understands that Mr Rybak/CMC and Lambert sold in excess of 45 million Common Shares during this period.

1.3 Events post suspension

On 25 November 2005, the Company announced that, following the suspension of trading in the Company's Securities, Kroll Associates UK Limited ("Kroll") had been appointed by the Company to undertake verification of the Company's cash deposits with Banco do Brasil and ABN AMRO. The Company also announced that, following its initial investigations, Kroll had reported to the Company that it appeared likely that the Company had been subject to a serious fraud affecting the cash deposits. The announcement stated that Kroll had not been able to establish the existence of, nor verify the Company's entitlement to, any such cash deposits at any time in the Company's history.

On 16 December 2005, David Buchler ("Mr Buchler") was appointed as Executive Chairman of the Company and Christopher Wallis ("Mr Wallis") was appointed as Finance Director of the Company. On the same date, Mr Wood and Mr Regli resigned as Directors. On 10 February 2006, Mr Pearson resigned as a Director.

On their appointment, Mr Buchler and Mr Wallis commenced a detailed investigation into the Company and the frauds that appeared to have been committed on the Company and the Scheme Creditors.

On 14 February 2006, an informal meeting of the Company's shareholders took place. At this meeting Mr Buchler and the Company's legal advisers (Sion Richards of the law firm Jones Day and Robin Spencer of the law firm Lovells) addressed the meeting. It was explained that the investigations into the frauds were continuing and that the Company would pursue claims against appropriate individuals and companies in order to make recoveries for the benefit of the Company and its shareholders.

On 4 April 2006, the Rt Hon Sir Jeremy Hanley KCMG, Chartered Accountant, was appointed as an independent non-executive director of the Company. On 11 May 2006, Rt Hon Sir Jeremy Hanley KCMG was appointed deputy chairman of the Company.

On 12 April 2006, the Company's AIM listing was automatically cancelled (pursuant to AIM Rule 41 which provides for the cancellation of a company's listing six months after trading in its securities has been suspended).

Since that date, further announcements regarding the Company have been made on the Company's website (www.langbar.com). The website also includes further information on the professional qualifications and experience of Mr Buchler, Mr Wallis and Mr Hanley and the statements made at the informal shareholders meeting on 14 February.

1.4 The claims against Named Persons

On 28 February 2006, the Company issued claims against certain persons and companies who it believed were primarily responsible for the fraud that had been committed. These were Mr Rybak, Mr Regli, Mr Hochman, Lambert, and CMC. The claim issued on 28 February 2006 has since been extended to include Mr Rybak's wife, Mrs Izabela Rybak ("Mrs Rybak"), and a company incorporated in Monaco, SCI Atol (a company allegedly owned and controlled by Mrs Rybak and her daughter), as defendants. These individuals and companies are included in the persons defined in the Scheme as the Named Persons. As explained below they do not include Capita. A full list of the Named Persons is set out in Part 1 of Schedule 1 to the Scheme. The Named Persons include not only Lambert but also two other entities, incorporated in Delaware and England, respectively, with an almost identical name (Lambert Financial Investment Limited). Following discussions with Mr Hochman, the Company has reason to believe that a substantial number of Securities originally held by Lambert were transferred to or through these other entities in connection with a proposed transaction in which the Securities would be used as security for the provision of a loan. The

Company has now collated some and continues to collate further information in respect of the details of this loan arrangement and the current status and ownership of the Securities.

In the case of the three individual defendants, the proceedings include claims for damages for deceit and conspiracy to defraud and, in so far as the two former Directors are concerned, claims for damages for breach of their fiduciary duties owed to the Company. The proceedings also include claims for a constructive trust over the proceeds received by Mr Rybak and Lambert resulting from the sale of Securities in the Company, together with a claim against Lambert for payment of US\$350 million due under the terms of a promissory note dated 31 May 2004.

The Company believes that it is the proper claimant in respect of the claims brought against the named defendants. The Company was aware though that, in the case of some of these claims, one or more of the defendants might seek to argue that the claims should not have been brought by the Company and could only properly be brought by the holders of Securities. Some of the defendants have now raised that argument. One purpose of the Scheme is to allow the Company to pursue these claims as assignee of the rights of the holders of Securities and thereby ensure that this line of argument ceases to be available to any of the defendants.

A worldwide asset freezing injunction was made by the English High Court on 24 February 2006 and served upon the defendants during the week commencing 7 March 2006. There were various amendments made to the freezing injunction including those made on 3 April 2006 whereby the level of the worldwide asset freezing injunction was increased, in so far as it related to Mr Rybak, from £29 million to €49.5 million.

A separate claim was issued on 12 April 2006 against Mr Rybak and Mrs Rybak in the High Court of the Republic of Singapore and an injunction was granted on 13 April 2006 freezing assets within that jurisdiction.

The Company has also made a criminal complaint against certain of the Named Persons in Switzerland, and it is understood that an order freezing certain assets and requiring the disclosure of relevant documentation has been made as a result. The complaint is currently being handled by an investigating magistrate and the Company will be providing assistance to the magistrate in respect of those investigations.

Mr Rybak, CMC, Mrs Rybak and SCI Atol have all now filed Acknowledgments of Service (stating that they intend to defend the claims made against them) and were due to serve their Defences on 2 June 2006. To date, none of the other defendants has responded formally to the proceedings.

As explained below, certain of the defendants to the claims brought by the Company have issued an application to strike out part of the Company's claim or to obtain summary judgment on this basis (the "**Strike Out Application**"). One purpose of the Scheme is to allow the Company to pursue these claims as assignees of the rights of the holders of Securities and thereby ensure that this line of argument is not available to any of the defendants.

On 2 June 2006, Mr Rybak, Mrs Rybak, CMC and SCI Atol were due to serve defences to the Company's claim in the English High Court (the Company having previously agreed with these defendants an extension of time for serving their defences). On 2 June 2006, these defendants issued two applications. The first application was the Strike Out Application, which relates to those elements of the claims regarding breaches of fiduciary duties owed to the Company and claims for a constructive trust and represent a substantial proportion of the Company's claim in value. If the Strike Out Application were to succeed, the value of the remaining claims (against Mr Rybak and CMC) would be £2.9 million. The grounds on which the Strike Out Application is pursued include the assertion that "*the proper claimants (if any) would be aggrieved investors in the Claimant company rather than the [Company] itself*". By the second application, these defendants sought a further extension of time for serving their defences.

Directions regarding the Strike Out Application were given at a hearing on 12 June 2006. At this time, Mr Justice Kitchin ordered that the defendants serve defences within 6 weeks. A hearing of the Strike Out Application has been listed floating in the week commencing 30 October 2006.

A trial date for the proceedings has not yet been listed.

The Company cannot prudently waive legal privilege in the advice it has received regarding the prospects of success in the litigation. However, it is worth noting that it was necessary for the

Company to demonstrate to the Court that it has “a good arguable case” in order to obtain the freezing injunction.

Due to the fact that litigation is now underway, the Company can provide only limited information as to the detail of the claims, although a copy of the redacted Particulars of Claim is available on the Company’s website: www.langbar.com.

The Company is continuing to consider with its advisors what further claims it may be appropriate to pursue against the Named Persons or other parties.

Capita is not identified as a Named Person but is identified as an Excluded Person in the Schedule to the Scheme. Capita only holds Common Shares for the benefit of holders of Depositary Interests and will not be a party to the Scheme. The Company does not consider that there was any misconduct on the part of Capita.

APPENDIX 3

LIST OF DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on the Company's website (www.langbar.com) and in hard copy (during normal business hours on any weekday, excluding Saturdays, Sundays and public holidays) at DB Consultants Limited, 12 Curzon Street, Mayfair, London W1J 5HL and at the offices of Messrs Lovells, Atlantic House, Holborn Viaduct, London EC1A 2FG:

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) the Company's AIM admission document;
- (c) the Consultancy Agreement;
- (d) the order of the Court directing that the Scheme Meeting be convened;
- (e) the Particulars of Claim referred to in Appendix 2 (redacted);
- (f) the first affidavit of Sion Richards dated 24 February 2006; and
- (g) the Trust Deed Poll.

The documents listed in (a) to (g) above will remain available for inspection while the Scheme remains capable of becoming effective.

APPENDIX 4

CURRICULUM VITAE OF THE VOTE ADJUDICATOR

Background

Mr Victor Joffe QC, became a barrister in 1975 and is a member of Serle Court Chambers at Lincoln's Inn in London.

He was appointed as Queen's Counsel ("QC") in 2001 and was also admitted to the New York State Bar in 1998 and as a Barrister of the Eastern Caribbean Supreme Court (Anguilla Circuit in 2003 and BVI Circuit in 2004). He is a CEDR accredited mediator. His main areas of expertise are company law, insolvency law, commercial and trust litigation and civil fraud.

Mr Joffe QC has no prior connection to the Company.

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Part B – THE SCHEME

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

NO 4233 OF 2006

**IN THE MATTER OF
LANGBAR INTERNATIONAL LIMITED
(FORMERLY CROWN CORPORATION LIMITED, A COMPANY
INCORPORATED IN BERMUDA)**

AND

IN THE MATTER OF THE COMPANIES ACT 1985

**SCHEME OF ARRANGEMENT
PURSUANT TO SECTION 425 OF THE COMPANIES ACT 1985**

BETWEEN

**LANGBAR INTERNATIONAL LIMITED
(FORMERLY CROWN CORPORATION LIMITED, A COMPANY
INCORPORATED IN BERMUDA)**

AND ITS

**SCHEME CREDITORS
(AS DEFINED IN THE SCHEME OF ARRANGEMENT)**

PART I – PRELIMINARY

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme and its Schedules, unless inconsistent with the subject or context, the following words and expressions bear the following meanings:

“**Assigned Claim**” means a Third Party Claim after the same has been assigned to the Company pursuant to the Scheme;

“**Business Day**” means any day when banks in London are open for business other than a Saturday or Sunday;

“**Capita**” means Capita IRG Trustees Limited, a company registered in England and Wales with number 2729260;

“**Common Share**” means a common share of €0.001 in the capital of the Company;

“**Company**” means Langbar International Limited (formerly Crown Corporation Limited) incorporated in the islands of Bermuda with registered number EC33737;

“**Company Claim**” means any claim or potential claim which the Company has and/or may have against Third Parties whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with their contractual or fiduciary duties to the Company and/or dealings in the Securities and includes claims founded in contract, tort, fraud, constructive trust or otherwise howsoever;

“**Court**” means the High Court of Justice in England and Wales;

“**Depository Interest**” means a depository interest issued by Capita pursuant to the Trust Deed Poll;

“**Designated Day**” means the first Business Day after the expiry of one month after the issue of the Net Asset Value Certificate;

“**Directors**” means the directors of the Company from time to time;

“**Effective Date**” means the date that the Scheme becomes effective in accordance with its terms;

“**Excluded Person**” means a person listed or referred to in any part of Schedule 1;

“**Explanatory Statement**” means the statement relating to this Scheme prepared by the Company pursuant to section 426 of the Companies Act 1985;

“**Insolvency Event**” means the appointment of a liquidator (including a provisional liquidator) or administrator over the Company or the Company being dissolved or a composition or arrangement between the Company and its creditors generally (including without limitation Scheme Creditors) becoming effective, in each case after the effective date and in each case either in England and Wales, Bermuda or other applicable jurisdiction;

“**Named Person**” means a person listed or referred to in Part 1 of Schedule 1;

“**Net Assets**” means the assets of the Company less its liabilities (including its estimated liabilities) but excluding liabilities representing the Scheme Claim Values of Scheme Creditors participating in the Special Payment in accordance with clauses 4.4 to 4.10;

“**Net Asset Value Certificate**” means a once only issued certificate in the form or in substantially the form set out in Schedule 3 which certifies the Company to have Net Assets in excess of £10 million;

“**Non-Participation Form**” means a form in or substantially in the form set out in Schedule 2;

“**Proceedings**” means any proceedings commenced by the Company pursuant to an Assigned Claim;

“**Record Date**” means the date of the notice to Scheme Creditors convening the Scheme Meeting;

“**Registered Holder**” means a person who appears:

- (a) on the Depository Interest Register maintained by Capita pursuant to the Trust Deed Poll as the holder of one or more Depository Interests; and/or

(b) on the register of members of the Company as the holder of one or more Common Shares, in each case at the Record Date;

“Re-listing Event” means the admission of the Securities (or other securities issued by the Company in replacement of or representing the Securities) on the Alternative Investment Market of the London Stock Exchange or a public offering of securities issued by the Company for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) and relevant implementing measures in the United Kingdom or the admission of securities issued by the Company on any other recognised stock exchange or stock market;

“Scheme” means this scheme of arrangement with or subject to any modification, addition or condition approved or imposed by the Court;

“Scheme Claim” means all or any claims or potential claims against the Company whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with:

- (a) the purchase of Securities on or before 12 October 2005; and
- (b) any representation, advice, disclosure, information, statement, announcement or literature made, given or made available on or before 12 October 2005 by or on behalf of the Company in relation to the Company’s assets, liabilities and/or financial condition;

“Scheme Claim Formula” means **“Y x Z”** where **“Z”** is the number of Securities held by or on behalf of the relevant Scheme Creditor on the Record Date and **“Y”** is the price paid, per Security, by or on behalf of the relevant Scheme Creditor for such holdings of Securities;

“Scheme Claim Value” means the value of a Scheme Claim as determined by the application of the Scheme Claim Formula;

“Scheme Creditor” means a creditor of the Company who is not an Excluded Person or a nominee for an Excluded Person and who immediately prior to the Effective Date has a Scheme Claim and a Third Party Claim and is:

- (a) the Registered Holder of the Securities to which the Scheme Claim relates; and/or
- (b) the person who in the reasonable opinion of the Company is the beneficial owner of such Securities;

“Security” means Common Share or Depositary Interest;

“Special Payment” means the payment or payments referred to in clause 4.4;

“Sufficient Details” mean a name and address in written form;

“Third Party” means:

- (a) an Excluded Person (save for those listed or referred to in Part 4 of Schedule 1 unless excluded under any other part of that Schedule); and/or
- (b) all or any promoters, officers, agents, employees of and advisers to the Company who held such position from time to time on or before 12 October 2005;

“Third Party Claim” means any claim or potential claim against any Third Party whether accrued, accruing or to accrue in the future and whether or not presently known about arising out of or in any way connected with:

- (a) the purchase of Securities on or before 12 October 2005; and
- (b) any representation, advice, disclosure, information, statement, announcement or literature made, given or made available on or before 12 October 2005 by or with the knowledge or acquiescence of the Third Party in relation to the Company’s assets, liabilities and/or financial condition,

in each case including the proceeds thereof; and

“Trust Deed Poll” means the Trust Deed Poll dated 27 November 2003 in relation to the Company executed by Capita.

- 1.2 Clause and Schedule headings of and to this Scheme are inserted for convenience only and shall be ignored in the interpretation of this Scheme.
- 1.3 In this Scheme and its Appendices and Schedules, unless inconsistent with the subject or context:
- (a) references to clauses and Schedules are to clauses of and Schedules to this Scheme;
 - (b) reference to “person” shall include any individual, firm, company, corporation, association or partnership;
 - (c) words importing the singular shall include the plural and vice versa; and
 - (d) references to any statute or statutory instrument or any provision thereof shall be construed as a reference to the same as it may have been, or may from time to time, be amended, modified or re-enacted.

2. THE COMPANY

The Company was incorporated on 4 June 2003 under the Companies Act 1981 of Bermuda as a company limited by shares with the name Crown Corporation Limited. The Company changed its name to its current name, Langbar International Limited, on 25 July 2005.

3. PURPOSE OF THE SCHEME

The purpose of this Scheme is to constitute a compromise between the Company and the Scheme Creditors which involves:

- (a) the Scheme Creditors assigning Third Party Claims to the Company;
- (b) the Scheme Creditors restructuring their rights against the Company in relation to Scheme Claims and agreeing to waive Scheme Claims in the circumstances set out in this Scheme;
- (c) the Company agreeing, strictly subject to the terms of this Scheme, to pursue recovery under the Company Claims and, in its name and at its cost, under the Assigned Claims; and
- (d) the Company making a payment to Scheme Creditors provided some financial conditions are satisfied.

PART II – THE SCHEME

4. THE COMPROMISE

4.1 Upon and with effect from the Effective Date:

- (a) each Scheme Creditor assigns absolutely to the Company all of its right, title and interest in its Third Party Claims;
- (b) each Scheme Creditor shall, at the cost and request of the Company, execute a written assignment (or assignments) in favour of the Company of the Third Party Claims referred to in clause 4.1(a) and irrevocably appoints the Company its attorney in its name and on its behalf and as its act to execute and complete such assignment of the Third Party Claims;
- (c) subject to clause 4.1(f), each Scheme Creditor shall not, in any jurisdiction, in respect of its Scheme Claims, issue proceedings or continue proceedings of any kind whatsoever (including, without limitation, the presentation of a winding-up petition or an application for administration) or otherwise seek to recover against the Company;
- (d) each Scheme Creditor agrees with the Company that it shall, on and with effect from a Re-listing Event, waive the Scheme Claims referred to in clause 4.1(c) and release the Company from any and all liability in respect thereof and shall, at the written request and cost of the Company execute such further documentation as the Company shall reasonably require to effect such waiver and release;
- (e) each Scheme Creditor shall at all times co-operate with the Company in relation to the Company commencing and pursuing Assigned Claims and shall provide to the Company all such assistance for which the Company from time to time reasonably asks and take all steps as may reasonably be necessary in respect of any Proceedings. Subject to clause 6, the Company shall meet the Scheme Creditors' reasonable costs of co-operation in accordance with this sub-clause; and
- (f) if an Insolvency Event occurs before a Re-listing Event, each Scheme Creditor will be entitled to submit a proof of debt or claim in respect of any Scheme Claim it may have as if clause 4.1(c) were not an effective part of this Scheme, giving credit only for amounts, if any, received on account of its Scheme Claim and any Special Payment under clause 4.4 and, for the avoidance of doubt, in submitting a proof of debt or claim in the insolvency of the Company consequent upon the Insolvency Event, neither the Company nor Scheme Creditors will be bound by the valuation of their claims against the Company as found by the application to them of the Scheme Claim Formula.

4.2 The Company shall pursue the Company Claims and the Assigned Claims in accordance with and subject to the degree of commercial judgement, prudence and professional advice that a reasonable claimant would take in respect of the Company Claims and the Assigned Claims and shall have regard to the professional advice it shall obtain in connection therewith, the quantum of the claim, the means or perceived means of the relevant Third Party, the funds available to the Company and the duties of the Directors.

4.3 Pursuant to this Scheme (and for the avoidance of doubt):

- (a) The Company has the sole and irrevocable authority to pursue the Assigned Claims and to issue and/or to continue and/or amend to include the Assigned Claims in any Proceedings in its own name and to do anything incidental to or necessary in respect of such matters;
- (b) Subject only to clauses 4.2 and 6, the Company has the sole right and discretion to decide whether and when to issue any Proceedings and in the event that a decision is made to issue any Proceedings, the form and content of such Proceedings. Without prejudice to the generality of the aforesaid:
 - (i) the Company shall have the sole conduct of any Proceedings;
 - (ii) the Company shall be entitled to conduct any Proceedings, together with all matters arising in the course of them, as it in its sole discretion shall think fit; and
 - (iii) the Company shall have the sole discretion whether or not and, if so, in what circumstances and on what terms, to settle, compromise or otherwise bring to an end, any Assigned Claim and any Proceedings, and each Scheme Creditor will, if requested by

the Company as part of a settlement or proposed settlement of a Company Claim and/or Assigned Claim, sign such documents as the Company may request releasing the relevant Third Party from the Assigned Claim.

- 4.4 The Company shall, on the Designated Day, make a payment in respect of Scheme Claims (in the manner set out in clause 4.6 and subject to clause 4.5) to Scheme Creditors in the aggregate amount of 25 per cent. of the value of the Net Assets of the Company as shown in the Net Asset Value Certificate (the payment and each part thereof referred to as a “Special Payment”). The Special Payment shall be distributed between Scheme Creditors rateably in proportion to their Scheme Claim Values. For this purpose, the Directors shall, before the end of each six months period following the Effective Date, assess the financial position of the Company and, on the first occasion that such assessment indicates to the Directors in their reasonable opinion that the value of the Net Assets exceeds £10 million, the Directors shall issue the Net Asset Value Certificate (by posting the same on the Company’s website at www.langbar.com).
- 4.5 For the purposes of making the Special Payment the Company shall within 60 days from the Effective Date:
- (a) notify each Scheme Creditor of whom the Company has Sufficient Details requiring the Scheme Creditor to submit details of its holding of Securities and the price at which such Securities were purchased and, where relevant, the name of the nominee in whose name the Securities are registered; and
 - (b) cause notice to be published (in such publications as appear reasonable to the Company including those in which notice of the Scheme Meeting is published) calling for Scheme Creditors to provide that information to the Company.

If the Scheme Creditor provides that information within the 90 day period referred to below, that information will, subject as stated below, be used in the Scheme Claim Formula to calculate the Scheme Claim Value of the Scheme Creditor’s Scheme Claim for the purposes of the Special Payment. If the information provided by the Scheme Creditor is inconsistent with information otherwise available to the Company, the Company shall be entitled to query that information and, if not reasonably satisfied by the Scheme Creditor, shall be entitled to value the Scheme Creditor’s Scheme Claim by the Scheme Claim Formula utilising the information that, in the reasonable opinion of the Company, is most reliable.

If within 90 days from the last date on which such notice is sent or published the Scheme Creditor has not supplied the information requested, the Company shall be entitled to treat each Security (the purchase price of which was not notified within that 90 day period) as purchased at a price reasonably determined by the Company taking into account the date on which the Securities were purchased and other relevant information available to it, and the relevant Scheme Creditor’s Scheme Claim Value will be calculated accordingly. If the Scheme Creditor provides no information, the Company shall be entitled to attribute a nominal valuation to that Scheme Creditor’s Scheme Claim for the purposes of the Special Payment. A Scheme Creditor that is unknown to the Company at the date of the Net Asset Value Certificate shall not participate in the Special Payment and the Directors shall be entitled to include a provision in respect of unknown Scheme Creditors as a liability in calculating the value of Net Assets for the purposes of the Net Asset Value Certificate.

Where a Scheme Creditor has purchased Securities at different prices and has sold Securities, the Scheme Creditor shall be deemed to have disposed of Securities in the order of their purchase, in the absence of evidence satisfactory in the reasonable opinion of the Company to displace this deeming provision. If there is such satisfactory evidence, the Scheme Creditor shall be treated as having sold Securities in the order indicated by that evidence.

- 4.6 The Company shall make the Special Payment at the discretion of the Company either by cheque in favour of, or by telegraphic transfer to the bank account notified to the Company by, the person who in the reasonable opinion of the Company is the beneficial owner of the Securities to which the relevant Scheme Claim relates or who is otherwise able to give a valid discharge for the Special Payment. Where the Company believes that Securities are held by a person as nominee or trustee, the Special Payment will be made to the beneficial owner sufficient details of whom are disclosed to the Company by the nominee or trustee. Where the nominee or trustee refuses or fails to disclose sufficient or any details of the beneficial owner, the Company shall have the discretion either to make payment to the nominee or trustee upon such terms as the Company thinks fit or credit the

amount of the Special Payment to a deposit account pending a claim to it by the person who is or appears in the reasonable opinion of the Company to be the beneficial owner of the relevant Securities and otherwise to be dealt with in accordance with clause 4.7.

- 4.7 The Special Payment shall be deemed to have been made on the day that the cheque is posted or telegraphic transfer instruction given to the relevant bank (as the case may be). If any Special Payment made by cheque is uncashed or a Special Payment is otherwise unclaimed (including Special Payments credited to the deposit account referred to in clause 4.6 or Special Payments made at the discretion of the Company and at the payee's cost in some other manner requested by the payee), upon the expiration of six years from the date of posting of the cheque or crediting to the deposit account or the making of payment in the requested manner, all rights to that Special Payment shall be extinguished.
- 4.8 For the purposes of the Special Payment, where the price paid for the Securities is in a currency other than £ sterling, the price paid will be converted into £ sterling and the conversion rate will be the mid-point between the offer price and the bid price for such currency as published in the London Financial Times on the day that is five Business Days before the Special Payment is made.
- 4.9 At the time of payment of the Special Payment, the Company will post on its website at www.langbar.com the amount of the Special Payment per £1 of Scheme Claim Value.
- 4.10 Without prejudice to clauses 4.5 to 4.9, a payment by the Company in respect of a Special Payment to a Scheme Creditor; or to a person whom the Company reasonably believes to be the beneficial owner of the relevant Securities to which the Scheme Claim relates; or to a nominee or trustee for a Scheme Creditor or to any other person acting on behalf of a Scheme Creditor (whether with actual or ostensible authority); or otherwise in accordance with clauses 4.6 to 4.9 shall for all purposes constitute a valid discharge to the extent of such payment.

5. RECOVERIES

All sums recovered by the Company, whether in respect of Company Claims or Assigned Claims whether in respect of damages, costs or otherwise and whether obtained by means of a compromise, settlement, judgment or otherwise will be received by the Company as assets of the Company to be applied and dealt with by the Company as part of its general assets.

6. INDEMNITY AS TO COSTS

The Company will indemnify each Scheme Creditor in respect of:

- (a) all costs and expenses reasonably incurred by it at the written request or agreement of the Company in providing assistance or in co-operating in accordance with clause 4.1(e); and
- (b) all and any orders for costs which may be made against it in the course of or in connection with any Proceedings.

7. RESTRICTION ON OTHER PROCEEDINGS ETC

- 7.1 Each Scheme Creditor agrees that it shall neither purport to assign nor purport to agree to assign any Third Party Claim or Scheme Claim or give or seek to give any other person any interest in any such Third Party Claim.
- 7.2 Without prejudice to clause 7.1, each Scheme Creditor agrees that at no time shall it cause or permit:
- (a) any steps to be taken to pursue an Assigned Claim;
 - (b) any Proceedings to be issued, commenced or pursued (whether in England or in any other jurisdiction); or
 - (c) any Proceedings (if and when issued) to be compromised, settled or abandoned,
- in each case otherwise than by the Company in accordance with this Scheme and the rights of the Company under it.
- 7.3 If any Scheme Creditor takes any action which is prohibited by clause 7.1 or 7.2 after the Effective Date, and receives any monies as a result of such action then the Company shall be entitled to without prejudice to any other rights of the Company:

- (a) treat the Scheme Creditor as having received an advance payment in respect of clause 4.4 above; or
- (b) treat any liability of the Company to the Scheme Creditor which might otherwise arise under clause 4.4 as extinguished; or
- (c) require that the Scheme Creditor pay or account to the Company for any monies it has received as a result of such action.

8. NOTICES

Save where expressly set out to the contrary all deliveries of notices or other documents to be made pursuant to this Scheme shall be effected by posting the same in pre-paid envelopes addressed to the person entitled thereto at his address appearing in the records of the Company at the latest practicable date prior to the date of despatch or to such other address (if any) as that person may have previously directed in writing.

9. OPERATION OF THE SCHEME

- 9.1 This Scheme shall become effective as soon as an office copy of the order sanctioning this Scheme has been duly delivered by the Company to the Registrar of Companies in England and Wales for registration.
- 9.2 The Company may on behalf of all the Scheme Creditors consent to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

10. GOVERNING LAW

This Scheme shall be governed by, construed and take effect in accordance with English law and Scheme Creditors hereby submit to the exclusive jurisdiction of the Court and agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action, proceeding and to settle any claim, dispute or matter of difference which may arise out of the Explanatory Statement or any provision of this Scheme, or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme.

8 September 2006

SCHEDULE 1 – EXCLUDED PERSONS

Part 1 – Named Persons

- (a) Mr Mariusz Rybak.
- (b) Mr Jean-Pierre Regli.
- (c) Mr Abraham Arad Hochman.
- (d) Lambert Financial Investments Limited (incorporated in the State of Delaware with registered number 2688827 and with its registered office at C/O Registered Agents Limited, 1220 N. Market Street, Wilmington, Delaware USA).
- (e) Lambert Financial Investment Limited (incorporated in the State of Delaware with registered office at 4677 Summit Bridge Road, Middletown, Newcastle, 19709 Delaware, USA).
- (f) Lambert Financial Investment Limited (incorporated in England and Wales with registered number 05170626 and with its registered office at 18 Beatrice Road, London N4 4PD).
- (g) CMC Crown Management Corporation Limited (incorporated in the Islands of Bermuda with registered number 34272).
- (h) SCI ATOL (incorporated in Monaco and with its registered office at 3 Avenue de Grande Bretagne, Monaco MC9800).
- (i) Allgemeine Vermögensverwaltung Frankfurt AG (incorporated in Germany).
- (j) Mrs Izabela Rybak.
- (k) Mr Pierre Demagistri.
- (l) Mrs Ursula Demagistri.
- (m) Mr Pierre Michellutti.

Part 2 – Associates of Named Persons

Any person who is an associate of a Named Person, and for the purposes of this Schedule, section 435 of the Insolvency Act 1986 shall apply, *mutatis mutandis*, to determine whether a person is an associate of a Named Person.

Part 3 – Others

- (a) Mr Philip Wood.
- (b) Mr Stuart Pearson.
- (c) Mrs Barbara Pearson.
- (d) Mr James Stuart Pearson.
- (e) Ms Emma Scott-Somers (née Pearson).

Part 4 – Capita and Non-Participation Forms

- (a) Capita.
- (b) To the extent and in respect of the Scheme Claims and Third Party Claims arising from the Securities set out in the Non-Participation Form, a person from or in respect of whom the Company receives a duly completed Non-Participation Form at least 48 hours before the time appointed for holding the Scheme Meeting.

Part 5 – Nominees and Trustees

Any person who holds Securities as nominee for or trustee of a person listed in or referred to in Parts 1 to 3 of this Schedule 1 in his capacity as such nominee or trustee.

SCHEDULE 2

Non-Participation Form

To

Langbar International Limited
c/o DB Consultants Limited
12 Curzon Street
London
W1J 5HL

Dear Sirs

Scheme of arrangement under section 425 of the Companies Act 1985 (the "Scheme") proposed by Langbar International Limited (the "Company") at the meeting of Scheme Creditors convened for 6 October 2006 by the Company to consider and, if thought fit, approve the Scheme (the "Scheme Meeting").

Notice of the Scheme Meeting (the "Notice")

ELECTION NOT TO PARTICIPATE IN THE SCHEME

1. I, _____, acknowledge receipt of a copy of the Notice and the scheme documents accompanying it.
2. I hereby exercise my entitlement, as described in paragraph 3.5 of the Explanatory Statement and paragraph 3 below, to exclude myself from the Scheme.
3. I agree that this election is irrevocable and that by returning this form, signed and completed, to the Company to be received by the Company at the latest by 10.30am on 4 October 2006, being 48 hours before the Scheme Meeting, in respect of Scheme Claims and Third Party Claims arising out of the Securities listed at 4 below, I will disentitle myself from voting at or otherwise participating in the Scheme Meeting and that, in respect of such claims, if the Scheme becomes effective, I will not be a Scheme Creditor and will not benefit from or be bound by the terms of the Scheme.
4. The following are the details of the Securities, as defined in the Explanatory Statement, held by me or on my behalf:
 - (a) **Common Shares**
 - (i) Number held by me _____
 - (ii) Number held for me by a nominee or trustee _____
 - (iii) Name or names of nominee or trustee and number of Securities held by each:
Name _____
Number of Securities _____
Name _____
Number of Securities _____

If more information is to be included, these must be given in the space below for Further Details or provided on a supplementary sheet.

(b) **Depositary Interests**

(i) Number held by me _____

(ii) Number held for me by a nominee or trustee _____

(iii) Name or names of nominee or trustee and number of Securities held by each:

Name _____

Number of Securities _____

Name _____

Number of Securities _____

If more details are to be included, these must be given in the space below for Further Details
The capitalised terms in this form shall bear the same meanings as in the Explanatory Statement.

Further Details:

Signed by the said(print name)

.....(signature)

of.....

.....

.....(address)

Dated.....2006

NOTE: To be effective this Non-Participation Form must be completed and returned to the Company to be received by the Company at least 48 hours before the commencement of the Scheme Meeting.

SCHEDULE 3

Net Asset Value Certificate referred to in the Scheme

The capitalised terms in this certificate shall bear the same meanings as in the Scheme.

The Directors of the Company hereby certify that, having taken appropriate financial advice, the Net Assets are £[●].

Signed by []

Chairman

For and on behalf of the Directors

Dated the day of 20 .

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Part C – NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
MR JUSTICE LINDSAY**

NO 4233 OF 2006

**IN THE MATTER OF
LANGBAR INTERNATIONAL LIMITED
(FORMERLY CROWN CORPORATION LIMITED, A
COMPANY INCORPORATED IN BERMUDA)**

AND

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that, by an order dated 1 September 2006 made in the above matter, the Court has directed a meeting to be convened of Scheme Creditors (as defined in the explanatory statement accompanying this notice) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 proposed to be made between Langbar International Limited (a company incorporated and registered in Bermuda under number EC33737) (the “Company”) and its Scheme Creditors (as defined therein) and that such meeting be held at The New Connaught Rooms, 61-65 Great Queen Street, Covent Garden, London WC2B 5DA on 6 October 2006 at 10:30 a.m. at which place and time all Scheme Creditors are invited to attend.

A copy of the said scheme of arrangement and a copy of the statement required to be furnished pursuant to Section 426 of the Companies Act 1985 are incorporated in the document of which this notice forms part.

Scheme Creditors may vote in person at the meeting or they may appoint another person as their proxy to attend and vote in their stead. A proxy need not be a Scheme Creditor of the Company. Forms of Proxy for use at the meeting are enclosed with this notice. Completion of a Form of Proxy will not preclude a Scheme Creditor from attending and voting at the meeting.

It is requested that Forms of Proxy be lodged with the Company c/o DB Consultants Limited, 12 Curzon Street, Mayfair, London W1J 5HL either by post or by hand by 10:30 a.m. on 4 October 2006, but, if Forms of Proxy are not so lodged, they may be handed to the Chairman at the meeting.

Entitlement to attend and vote at the meeting (and any adjourned meeting) and the number of votes which may be cast at the meeting (and any adjourned meeting) will be determined by reference to the records of the Company as at the date of the aforementioned meeting of Scheme Creditors on 6 October 2006. By the said order, the Court has appointed David Buchler to act as Chairman of the meeting and has directed the Chairman to report the result of the meeting to the Court.

The said scheme of arrangement will be subject to the subsequent sanction of the Court.

Dated 8 September 2006

Lovells

Atlantic House
Holborn Viaduct
London EC1A 2FG
Solicitors for the Company

