

If you are in any doubt about the contents of this Securities Note or as to what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising on the acquisition of shares and other securities.

This Securities Note and the Registration Document, which together comprise a prospectus (the “Prospectus”) relating to the Company, prepared in accordance with the Prospectus Rules made under Section 84 of FSMA, has been made available to the public as required by the Prospectus Rules. The Prospectus has been approved by the Financial Services Authority under sections 85 of the FSMA and the Company has requested that the Financial Services Authority provide a certificate of approval and a copy of this Prospectus to the relevant competent authority in the Netherlands. The Prospectus is not an admission document and has not been prepared in accordance with the AIM Rules.

The Company and the Directors, whose names appear on page 11 of this document, accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Antonov plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with Registered Number 3003533)

Share Securities Note

This Securities Note does not constitute an offer to sell, or a solicitation of an offer to buy, shares or warrants in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Securities Note is not for distribution in or into the United States of America, Canada, Australia, South Africa, or Japan.

This Securities Note contains information concerning the Listing Shares for which admission is being sought to trading on Euronext Amsterdam. The Registration Document contains information on the Company, its business operations and its financial condition. Accordingly, this Securities Note should be read together with the Registration Document.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the registered office of the Company, 2 Hawkes Drive, Heathcote Industrial Estate, Warwick, Warwickshire CV34 6LX from the date of this document and for a period of at least one month from the date of the publication of this document. This document will also be available from the Company’s website, www.antonovplc.com.

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PART I

SUMMARY INFORMATION ON THE GROUP

23 July 2009

THE FOLLOWING SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS

Any decision to invest in the Ordinary Shares should be based on a consideration of both this Securities Note as a whole and of the Registration Document as a whole. Together this Securities Note and the Registration Document constitute the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court, a plaintiff might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches to those persons who are responsible for this summary including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

ADMISSION TO EURONEXT AMSTERDAM BY NYSE EURONEXT

The purpose of the Prospectus is to admit the Listing Shares to trading on Euronext Amsterdam by NYSE Euronext. The Company is seeking the admission to trading on Euronext Amsterdam for the Listing Shares due to the local presence of many Shareholders in the Netherlands. The Listing Shares have already been admitted to trading on AIM. Admission is expected to become effective and dealings in the Listing Shares on Euronext Amsterdam to commence from 9.00 a.m. (CET) on 29 July 2009.

INFORMATION ON ANTONOV PLC

Introduction

The Group has developed a range of technologies in power transmission systems and is currently seeking to form a joint venture in China for the development of its main product, the TX6.

History

Antonov Automotive Technologies BV was founded in 1991 to exploit various inventions made within the automatic transmission field.

Antonov's initial focus was the development of the Antonov Mechanical Module ("AMM") which has been used to create a family of 2, 3 and 4-speed small mechanical gearboxes. By 1996, Antonov had created its first proprietary 6-speed planetary automatic transmission through an evolution of the AMM. In 2003, a new kinematic layout, the Antonov Automatic Transmission ("AAT"), was invented and worldwide patents applied for.

Antonov now has 23 employees with a head office, including design and testing and marketing facilities, in Warwick, England. The Group's holding company Antonov plc, was admitted to trading on the London Stock Exchange in 1995 and on Euronext Amsterdam in 1997.

Directors

The Company's directors are:

Jan ("Jos") Eeuwe Haag – *Executive Chairman and Chief Executive Officer*

Mohammad ("Mory") Motabar – *Interim Chief Financial Officer*

Bernd Wilhelm Ramler – *Non-executive Director*

Major Shareholders

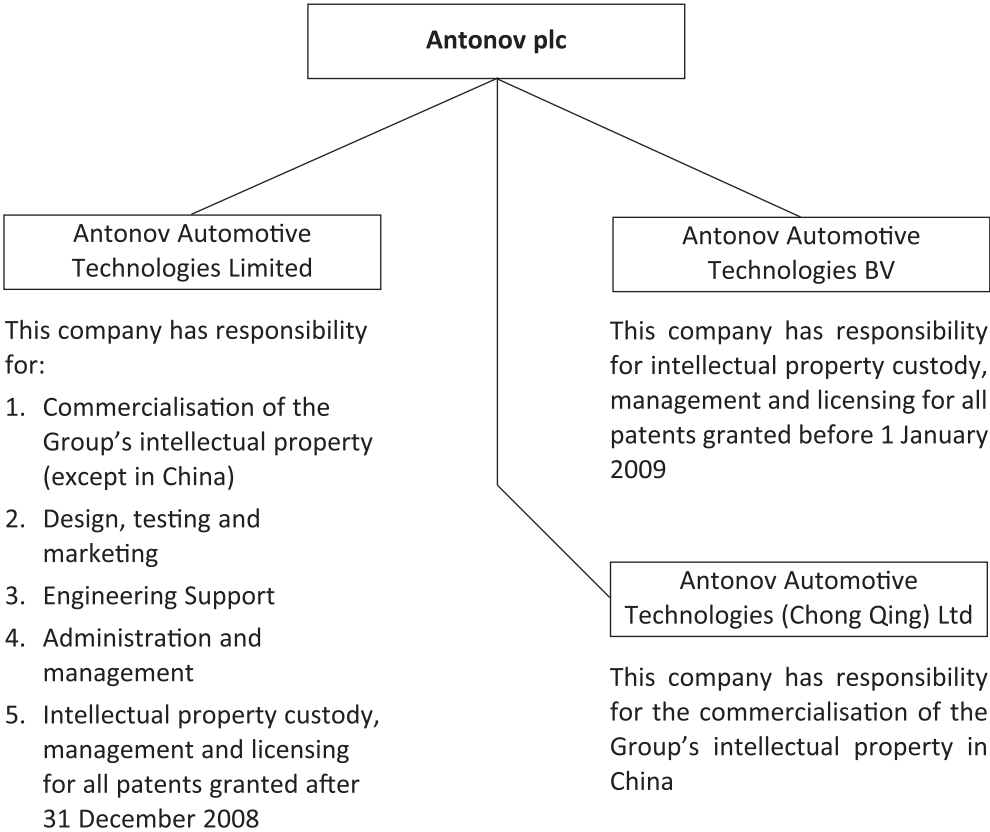
At 21 July 2009 the Company was aware of the following interests (other than those of the Directors) which represent, directly or indirectly, three per cent. or more of the issued share capital of the Company, calculated exclusive of treasury shares:

<i>Name</i>	<i>Number of issued Ordinary Shares</i>	<i>Percentage of Share Capital</i>
Euroclear Nominees Limited	7,899,311	60.51%
Euroclear Nederland	4,406,148	33.75%
Quivest*	3,648,632	27.95%

* Quivest’s shareholding is held indirectly through Euroclear Nominees Limited and Euroclear Nederland

Operational Structure

The current operational structure within the Group is as follows:



Patents

The Group’s strategy is to license its technology and the Directors are confident the intellectual property of the Group is adequately protected through the Group’s patents.

The Antonov Technology Portfolio

The Company is developing two “families” of innovative transmission products.

The Antonov mechanical module (AMM)

The AMM is based on original Antonov patents using centrifugal forces already apparent within the gearbox to enable smooth gear shifting in place of high flow, high-pressure hydraulic systems and mechanical linkages. This approach simplifies the entire gear-train. Antonov has used the AMM to develop a family of 2, 3 and 4-speed small mechanical gearboxes for applications ranging from auxiliary drives to transmissions for low cost vehicles.

The Antonov automatic transmission (AAT)

The AAT is based on architecture unique to Antonov and is designed to address the latest market requirements. The AAT evolved from the AMM and employs planetary gears in a kinematics scheme using parallel transfers of power. This architecture makes the AAT flexible and modular. The Group's main product, the TX6, is based on the AAT.

Principal Markets

The Board anticipates that the AAT's main market will initially be in the sub-2 litre passenger car and light commercial vehicle markets. The current focus is on Asian markets, with significant growth in the demand for conventional automatics in Asia forecast to 2014. Of the forecast growth in demand in China for passenger cars and light commercial vehicles, the majority is expected to be for sub 270Nm torque engines with front wheel drive transverse installations. The AAT provides a competitive solution for Chinese car manufacturers of such vehicles.

Competition

Set out below are the transmission technologies that, in the Board's opinion, offer a competitive technology to the AAT:

- Manual transmissions;
- Conventional automatic transmissions;
- Belt and pulley continuously variable transmission;
- Dual clutch transmission;
- Automated manual transmission;
- Electric traction systems; and
- Hybrid electric drive systems.

The Board considers the following to be some of the most significant advantages of the AAT compared to incumbent and emerging transmission technologies:

- *Size and weight* – The Directors believe that the first generation of the AAT will be suitable as a replacement for older or more costly conventional automatic transmissions.
- *Cost of entry* – By avoiding the need for new materials or processes, the cost of both development and tooling are greatly reduced.
- *Cost of manufacture and assembly* – The AAT requires only conventional components and production technologies.
- *Cost of vehicle integration* – The simplicity of the AAT control system offers the potential to greatly reduce the time and cost to calibrate the transmission into different vehicle platforms compared with other transmission technologies.
- *Efficiency* – The AAT does not require a torque converter or its high-flow hydraulic system to enable start from rest thereby increasing the efficiency of the transmission.
- *Performance* – The architecture of the AAT allows the selection of any gear at any time and fast skip shifting.

Antonov's Strategy

The Group's strategy is to license its technology to automotive manufacturers or their Tier 1 suppliers earning a combination of engineering service fees, upfront licence fees and on going royalty income. In

addition, the Group is seeking to generate revenues from the provision of consulting and engineering services to third party customers.

Commercial Programmes

In recent years the focus of the Group's business has changed from the development of concept designs to the commercialisation of the Group's transmission technology in the context of the engineering and production programmes for the:

1. TX6;
2. 2-speed technologies, including:
 - a. RTX Supercharger;
 - b. front end accessory drive; and
3. low cost 4-speed automatic.

TX6 Automatic Transmission

The Group has continued to develop the design of the TX6 whilst seeking customers, primarily within the Chinese automotive industry.

An engineering programme was started with Loncin in September 2007 and after successful completion of the prototype in 2008, the TX6 was installed on two mid-sized demonstration vehicles for test driving and evaluation by prospective customers. One of these vehicles was transferred to China and the other one has been kept in the UK.

The Loncin agreement was terminated in 2008 and on 27 May 2009, the Company and Landai signed an agreement with Lifan Industry (Group) Co., Ltd ("Lifan") for the installation of the TX6 into up to three demonstration vehicles to be provided by Lifan. On 10 June 2009 the Company signed an agreement with Chongqing Landai Industry Co., Ltd ("Landai") to form a joint venture for the manufacture and distribution of the TX6. The joint venture's manufacturing plant is expected to be established at Landai's new site in Chong Qing and have the capacity to manufacture at least 200,000 transmissions per year. The Directors expect production to commence during the course of 2011.

RTX Supercharger

Progress in this area has been slower than originally anticipated. However, a new agreement has now been signed to provide the Company with access to the German market through Emporio Sàrl's subsidiary GTI Green Tec International AG.

One of the key strategic purposes of the RTX Supercharger programme has been to demonstrate the potential for the AMM in order to gain access to larger potential markets.

Front End Accessory Drive

The potential fuel saving from a 2-speed drive to the engine accessories has been established and the Company has been seeking a supplier partner to progress the technology. Progress has been slower than expected but the Company is pursuing various opportunities which could lead to licensing deals in the future.

Low Cost 4-Speed Automatic

The early application of the AMM to a 4-speed automatic transmission for small cars was not taken up by car manufacturers due to the move by the market at that time to 6-speed transmissions. However, there is now an emerging market for low cost cars where a simple, low cost 4-speed could be of increasing interest.

Other opportunities

The Group has pursued a number of other opportunities for the Group's technology. In all cases however, the heavy demands on the engineering capacity and resources has proved to be a limiting factor affecting the Group's ability to divert resources to these new programmes. However, the interest in the Group's technology has been building over the past three years and with it, the Group's ability to secure client funding for initial exploratory projects has improved.

Current Trading

After successfully proving the AAT technology during the course of 2008 through the agreement with Loncin, in February 2009 the Company announced its strategy to implement a number of changes designed to strengthen the commercial position of the Company with an increased focus on developing commercial opportunities with a short time to market, including various AMM based projects, and commercial engineering. The Company also announced that it was seeking to secure commercial engineering projects with both automotive and non-automotive customers.

The Company has continued its marketing efforts in China in relation to the TX6:

- On 18 February 2009 the Loan Facility was signed for up to €15 million of debt finance for the potential formation of a joint venture in China;
- On 16 March 2009 and 21 April 2009 the Company signed letters of intent with Sichuan Jiangnan Industrial Group Co., Ltd and Landai, respectively, with the purpose of exploring the opportunity to establish a joint venture to be responsible for the development, manufacture and sales of the TX6;
- On 27 May 2009, the Company and Landai signed an agreement with Lifan Industry (Group) Co., Ltd ("Lifan") for the installation of the TX6 into up to three cars to be provided by Lifan, which may be used as demonstration vehicles; and
- On 10 June 2009, the Company announced the signing of a further agreement with Landai to form a joint venture for the manufacture and distribution of the TX6. The joint venture's manufacturing plant will be established at Landai's new site in Chong Qing and is expected to have the capacity to manufacture at least 200,000 transmissions per year. The Directors expect production to commence during the course of 2011.

Prospects and Trends

Due to the non-cyclical nature of the Group's business, the Directors believe that there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's business prospects for at least the current financial year. The Group is reliant on an equity finance agreement in order to operate and meet its capital requirements.

The key event which will affect the current year is the potential formation of the Chinese joint venture. Should the Company be successful in finalising an agreement this year, it will represent the culmination of the Group's main efforts since 2005 and would provide the Group with access to a significant and growing market.

Financial Highlights

The key financial information on the Group set out below has been extracted from the audited results of Antonov for the years ended 31 December 2006, 31 December 2007 and 31 December 2008.

	<i>Year ended 31 December 2006 (IFRS) £'000</i>	<i>Year ended 31 December 2007 (IFRS) £'000</i>	<i>Year ended 31 December 2008 (IFRS) £'000s</i>
Turnover	11	771	339
Gross profit	11	745	332
Loss from operations	(4,083)	(3,935)	(2,796)
Impairment Charge	-	-	(6,986)
Finance revenue/(costs)	925	(29)	-
Loss before taxation	(3,158)	(3,964)	(9,782)
Tax credit/(charge)	(238)	(109)	-
Loss for the year	(3,396)	(4,073)	(9,782)
Total assets	3,242	6,590	4,718
Loss per share – Basic and diluted	9.5p	8.5p	14.3p
Staff costs	1,932	1,958	1,752
Employees (Average number)	24	34	24

Significant change statement

Save as disclosed below, there have been no significant changes in the trading or financial position of the Group since 31 December 2008:

- on 30 January 2009, the Company announced a restructuring of the Group's operations to reduce costs;
- on 16 February 2009, Shareholders approved a reorganisation of the Company's share capital;
- on 18 February 2009 the Company entered into two new financing facilities with Quivest; being the Equity Facility and the Loan Facility;
- on 8 May 2009, Shareholders approved a consolidation of the Company's share capital; and
- net assets have declined from £4.7 million as at 31 December 2008 to £1.7 million as at 31 May 2009.

Related party transaction

Quivest is a significant shareholder and the Equity Facility and Loan Facility are therefore related party transactions.

Working Capital

The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is for at least the 12 months from the date of this Prospectus. The Group is reliant upon continued access to funding under the Equity Facility.

The Group's Funding Facilities

As at the date of this Prospectus the Group had €17.97 million from the €20 million Equity Facility available for drawdown. In addition, the Group has secured a €15 million Loan Facility to help fund the formation of a joint venture in China.

Indebtedness

As at the date of this Prospectus no member of the Group has any form of bank overdraft or loan facility and there are no outstanding loan notes. The Company does have a €15 million Loan Facility to meet the expected investment into the proposed joint venture. There has been no drawn down under the Loan Facility as at the date of this Prospectus, however the Company expects to draw down approximately €2.5 million on the formation in China of the joint venture company.

“Going Concern”

In the audited accounts for the year to 31 December 2008, the Directors concluded that the current funding arrangements represent a material uncertainty that may cast doubt on the Group’s ability to continue as a going concern.

RISK FACTORS

An investment in the Ordinary Shares is subject to a number of risks which could materially and adversely affect the Company’s business, financial condition or results of operations, certain of which are highlighted below:

- No long term product supply arrangements – Supply of the Company’s products is dependent on their adoption and manufacture by major car manufactures and/or their suppliers.
- Competition – Competitors may be able to develop more efficient technologies than, or may produce products superior to, those of the Group.
- Dependence on limited product line and limited design and services – The Company offers limited products and if it is not successful in commercialising these products its ability to produce profits will be restricted.
- Product risk – Fundamental technical problems may be encountered.
- Proprietary technology and unpredictability of patent protection – The Group’s products and services are highly dependent upon its technology, the Group relies on patents, copyrights and trade secret laws, as well as customer licensing arrangements.
- Changing technology – Future changes in technology could make the market for the Company’s products redundant.
- The Company’s objectives may not be fulfilled – There can be no guarantee that the Company will achieve its objectives.
- Early stage of commercialisation and continuing losses – The Company has incurred net losses to date and there can be no guarantee that it will ever produce significant revenues.
- Attraction and retention of key employees – The Group depends on members of its senior management team and the retention of their services cannot be guaranteed.
- Dependence on sales and marketing and engineering – The Group has limited staff, therefore larger companies may have a competitive advantage.
- Capital – There is no guarantee that the Company will continue to be able to access funding under the current funding arrangements. The Company may need to raise further capital and there can be no guarantee that it would succeed.
- Risks relating to the Listing Shares – The market value of the Listing Shares may go down as well as up; an investment in a share which is traded on a public market such as AIM or Euronext may be difficult to realise and carries a high degree of risk, investors may lose all of their investment.
- Regulation – The Company may be investigated by Euronext and/or AFM for a possible breach of the Euronext Rules.

PART II

RISK FACTORS

An investment in the Listing Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the risk factors described in the Registration Document and other information contained in this Prospectus before investing in Listing Shares. The risks and uncertainties described below, which are not set out in any particular order of priority, are the material risk factors relating to the Listing Shares, which are currently known to the Directors. Additional risks and uncertainties not presently known or which are currently deemed immaterial may also be material to the Listing Shares.

Before deciding whether to make an investment in the Listing Shares, prospective investors should carefully consider all the information in this document, including the risks described below. If any or a combination of the following risks materialise, the Group's business, financial condition and operational performance could be materially and adversely affected to the detriment of the Group and its shareholders. In this event, the price of the Listing Shares could decline and investors may lose all or part of their investment. An investment in the Listing Shares may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

Risk factors relating to the Listing Shares

The value of the Company's shares may go down as well as up. Investors may, therefore, realise less than their original investment.

The price of the Listing Shares is likely to be volatile and subject to fluctuations. The trading prices of many companies in the same sector have been highly volatile. Accordingly, the market price of the Listing Shares may also be subject to wide fluctuations. As the Listing Shares are already traded on AIM, information about their past performance can be obtained from the London Stock Exchange.

AIM has been in existence since June 1995 and Euronext Amsterdam since 1997 but their future success and the future market for the Listing Shares cannot be guaranteed.

If the Group's revenues do not grow, or grow slower than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Listing Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of the Listing Shares may fall for reasons unrelated to the Company's business, financial condition or operational performance.

The market price of the Listing Shares may not reflect the underlying value of the Company's net assets or operations.

The Company, following Admission, can give no assurance that an active market for the Listing Shares will develop or, if developed, be sustained. If an active market is not developed, the liquidity and trading price of the Listing Shares could be adversely affected.

The market for shares in smaller public companies, including the Company's, is less liquid than for larger public companies. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Listing Shares may be difficult to sell at a particular price.

The market for the Listing Shares will be informed, in part, by the research and reports that industry or financial analysts publish about the Group or its business. The Company does not control these analysts.

If one or more of the analysts who cover the Group downgrades the Listing Shares, their price could decline rapidly. If one or more of these analysts ceases coverage of the Group, it could lose visibility in the market, which in turn could cause the price of Listing Shares to decline or experience significant volatility.

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times. An investment in a share which is traded on a public market such as AIM or Euronext Amsterdam, such as the Listing Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Listing Shares will depend on there being a willing buyer for them at an acceptable price.

The price at which investors may realise their holding of Listing Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

Consequently, it might be difficult for an investor to realise his/her investment in the Company and he/she may lose all his/her investment.

The Company is aiming to achieve capital growth and, therefore, a holding in the Company may not be suitable for a short-term investment.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and Shareholders and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements, availability of profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time. The Company has no plans to pay a dividend in the immediate future.

Current funding arrangements and "Going Concern" statement

The Group is currently reliant upon the continued support of Quivest under the Equity Facility Agreement to meet the working capital requirements of the current operations. The Equity Facility Agreement provides the Company with up to €20 million of funding over the period to 18 February 2013. The Company may deliver up to two subscription notices per calendar month, requiring Quivest to subscribe for up to an aggregate of €600,000 of Ordinary Shares per calendar month.

The Equity Facility Agreement may be terminated with immediate effect by Quivest serving one month's prior written notice on the Company in the event that, *inter alia*:

- The Ordinary Shares cease to be admitted to trading on AIM or on Euronext Amsterdam (except for the case where the Company actively would obtain de-listing from AIM on the basis that it no longer considers it to be beneficial to the interest of shareholders as a whole); or
- Trading in the Ordinary Shares on AIM or on Euronext is suspended for fifty (50) consecutive trading days during the period of the Equity Facility Agreement.

Potential investors should be aware of the risks of a suspension or delisting resulting from the regulatory issues set out below in the risk factor – "Regulatory Issues".

Quivest's business is the provision of financing and acquiring and disposing of investments. The ability of Quivest to meet its obligations under the Equity Facility Agreement is dependent on Quivest continuing to have access to sufficient funds. In the current financial environment there can be no guarantee that future funding will be available from Quivest. In the audited accounts for the year to 31 December 2008, the Directors concluded that these circumstances represent a material uncertainty that may cast doubt on the Group's and the Company's ability to continue as a going concern.

In the event that for what ever reason, the Equity Facility is withdrawn or the Company is unable to draw down further funds from Quivest then the Group would have no working capital and it is probable that the Company would immediately be placed into administration.

Regulatory Issues

Between 6 March 2007 and the date of this Prospectus, there have been a number of issues of ordinary shares by the Company. The total number of ordinary shares issued per year during the period comprised more than 10 per cent. of the Company's then issued share capital. Whilst all the ordinary shares issued during this period have been admitted to trading on AIM, no application was made until after 1 May 2009 for the admission to trading on Euronext Amsterdam of the ordinary shares issued after 4 September 2007 ("the Listing Shares") as the admission of the Listing Shares required the publication of a prospectus under the DFSA.

The late submission of an application for admission constitutes a breach of the Euronext Rules and the Company may be investigated by the Compliance Department of Euronext and could be subject to sanction by Euronext. Such sanction could include a fine, public censure, suspension and/or delisting.

Although the Company has not received any notice from AFM regarding a potential breach of the DFSA, it is possible that AFM may also investigate and sanction the Company in respect of the matter set out above.

PART III

DIRECTORS, SECRETARY AND AUDITORS

Directors	Jan (“Jos”) Eeuwe Haag	<i>Executive Chairman and Chief Executive Officer</i>
	Mohammad (“Mory”) Motabar	<i>Interim Chief Financial Officer</i>
	Bernd Wilhelm Ramler	<i>Non-executive Director</i>
	<i>all of the Company’s Registered Office address</i>	
Company Secretary	Samuel Alexander	
Registered Office Address and Principal Place of Business	2 Hawkes Drive Heathcote Industrial Estate Warwick Warwickshire CV34 6LX	
Telephone Number	+44 (0) 1926 455 800	
Auditors	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY	
ISIN Codes	Ordinary Shares: GB00B3SHND79 Listed Warrants: GB00B08H5305	
Date of this Prospectus	23 July 2009	

PART IV

CAPITALISATION AND INDEBTEDNESS

1. Working Capital

The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is for at least the 12 months from the date of this Prospectus.

The Group does not generate sufficient cash to meet its current working capital requirements (which do not include any potential investment that may be required in the proposed China joint venture) and is dependent on financing arrangement with third parties, as indeed it has been for the last 14 years.

On 18 February 2009 (as amended by an agreement dated 16 July 2009), the Company signed the Equity Facility Agreement with Quivest which should provide sufficient funding for the 12 months from the date of this Prospectus (excluding any cash that may be required to invest in the proposed joint venture in China). However the ability of Quivest to meet its obligations under the Equity Facility Agreement is dependent on Quivest continuing to have access to sufficient funds. Quivest's business is the provision of financing and acquiring and disposing of investments and in the current financial environment there can be no guarantee that Quivest will be able to honour its obligations under the Equity Facility. In the audited accounts for the year to 31 December 2008, the directors concluded that this represented a material uncertainty that may cast doubt on the Group's and the Company's ability to continue as a going concern.

In the event that the Company was unable to draw down further funds under the Equity Facility, the Group would face an immediate shortfall of approximately €250,000 per month (excluding any cash that may be required to invest in the proposed joint venture in China) and it is probable that the Company would be insolvent and immediately be placed into administration.

Quivest is a substantial Shareholder and has provided approximately €16.4 million of funding to the Company since November 2006, including approximately €2 million since the start of the Equity Facility Agreement. The Directors take comfort from Quivest's historical support and track record in providing the necessary funding to the Group when requested and accordingly concluded that it was appropriate to prepare the accounts for the year to 31 December 2008 on a going concern basis. For this reason the Directors are not looking to secure alternative financing arrangements to the Equity Facility at the current time.

It should also be noted that on 10 June 2009, the Company announced the successful conclusion of negotiations to secure a partner for the proposed joint venture in China. The total cash investment by each party is expected to be approximately €15 million, of which approximately €2.5 million is due on the formation of the joint venture which is expected to occur in the next few months. The Company has already secured a commitment for up to €15 million of debt finance through the Loan Facility Agreement with Quivest to meet its investment in the joint venture, however, for the reasons discussed above in relation to the Equity Facility, there can be no guarantee that Quivest will be able to honour its obligations under the Loan Facility Agreement. The impact of Quivest not honouring its obligations under the Loan Facility Agreement could result in the Company being unable to honour its obligations to the proposed joint venture in China, unless alternative financing arrangements were made. Any impact on the working capital of the Group as a consequence, including the possibility of any shortfall and any implications therefrom, will depend on the final financing arrangements for the proposed joint venture which are still under negotiation.

The Company may be investigated by the Compliance Department of Euronext and could be subject to sanction by Euronext in relation to the late submission of an application for admission in relation to the Listing Shares. Such sanction could include a fine, public censure, suspension and/or delisting. At the date of this prospectus, it is not possible to predict the outcome of any investigation, if indeed an investigation is held. However, if Euronext were to delist the Ordinary Shares, or if the Ordinary Shares were to be suspended by Euronext for at least 50 consecutive business days, then Quivest would have the right to

terminate the Equity Facility Agreement. In this case, as similarly set out above, the Company would face an immediate shortfall of approximately €250,000 per month (excluding any cash that may be required to invest in the proposed joint venture in China) and it is probable that the Company would be insolvent and immediately be placed into administration.

The reliance of the Group upon the current funding arrangements with Quivest is also identified in Part II of this document, Risk Factors.

2. Capitalisation and Indebtedness

2.1 As at the date of this Prospectus, no member of the Group has any form of bank overdraft or loan facility and there are no outstanding loan notes with third parties.

2.2 As at 31 December 2008 and 30 April 2009 (being less than 90 days prior to the publication of this document), the Shareholders' equity in the Company was as set out below:

	<i>As at 31 December 2008 £'000</i>	<i>As at 30 April 2009 £'000</i>
Share Capital	17,425	17,911
Share Premium	30,279	29,264
Other Reserve	3,792	3,730
	<u>51,496</u>	<u>50,905</u>

2.3 Statement of Indebtedness

	<i>As at 31 December 2008 £'000</i>	<i>As at 30 April 2009 £'000</i>
Financial Receivables falling due within one year		
Trade and other receivables	103	136
Cash and short term deposits	500	132
Total Current Financial Receivables	<u>603</u>	<u>268</u>
Financial Debts falling due within one year		
Bank overdraft	–	–
Trade and other payables	1,650	1,407
Current tax liability	–	–
Total current financial debt	<u>1,650</u>	<u>1,407</u>
Total Net Current Financial Indebtedness	1,047	1,139
Non-current financial indebtedness		
Bank and other non-current loans	–	–
Total non-current financial indebtedness	–	–
Total Net Financial Indebtedness	<u>1,047</u>	<u>1,139</u>

PART V

INFORMATION ON THE SECURITIES

1. The Listing Shares

- 1.1 Since 6 March 2007, being the date of the last prospectus published by the Company, there have been a number of issues of ordinary shares by the Company, as set out below, all of which have been admitted to trading on AIM. However, only the ordinary shares issued up to 4 September 2007 have been admitted to trading on Euronext Amsterdam.

This Prospectus is being published in respect of the application for admission to trading on Euronext Amsterdam of all of the ordinary shares issued by the Company since 11 September 2007.

Due to the share consolidation which took place on 8 May 2009 this results in an application to listing and trading on Euronext Amsterdam of 8,160,825 Ordinary Shares being the Listing Shares.

Admission is expected to occur and dealings commence on Euronext Amsterdam in the Listing Shares on 29 July 2009.

On Admission, the Company's issued share capital will comprise 13,054,141 Ordinary Shares, all of which will have been admitted to trading on both AIM and Euronext Amsterdam.

1.2 Share issues since 6 March 2007

<i>Date of issue</i>	<i>Type of issue</i>	<i>Issue price per ordinary share</i>	<i>Number of ordinary shares issued</i>
12 March 2007	Placing under general authority	€1.36	192,833
26 March 2007	Placing under general authority	€1.30	192,308
13 April 2007	Placing under general authority	€1.30	192,331
23 May 2007	Placing under general authority	€1.09	192,661
6 June 2007	Placing under general authority	€1.09	192,661
15 June 2007	Placing under general authority	€1.17	179,303
21 June 2007	Placing under general authority	€1.12	139,350
19 July 2007	Conversion of equity Facility	€1.06	419,380
1 August 2007	Placing under general authority	€1.03	776,700
8 August 2007	Conversion of equity Facility	€0.98	306,592
29 August 2007	Placing under general authority	€0.95	460,526
4 September 2007	Placing under general authority	€0.94	449,198
11 September 2007	Placing under general authority	€0.94	446,809
14 September 2007	Placing under general authority	€0.94	446,809
18 September 2007	Placing under general authority	€0.97	432,990
21 September 2007	Placing under general authority	€1.02	411,765
8 October 2007	Placing under general authority	€0.91	346,154
11 October 2007	Placing under general authority	€0.90	350,000
1 November 2007	Placing under general authority	€0.87	301,724
26 November 2007	Settlement of creditor	€0.71	845,070
14 December 2007	Placing under general authority	€0.63	416,666
09 January 2008	Placing under general authority	€0.50	3,000,000
24 January 2008	Placing under general authority	€0.38	1,094,737
25 January 2008	Placing under general authority	€0.37	283,784
29 January 2008	Placing under general authority	€0.43	725,581
26 February 2008	Placing under general authority	€0.45	808,889
25 March 2008	Placing under general authority	£0.33	437,895
25 March 2008	Placing under general authority	£0.32	113,513
25 March 2008	Placing under general authority	£0.37	290,232
3 April 2008	Placing under general authority	€0.51	407,843
8 April 2008	Settlement of creditor	€0.52	1,442,308

<i>Date of issue</i>	<i>Type of issue</i>	<i>Issue price per ordinary share</i>	<i>Number of ordinary shares issued</i>
22 April 2008	Placing under general authority	€0.45	808,889
29 April 2008	Placing under general authority	€0.44	650,000
9 May 2008	Placing under general authority	€0.43	544,186
29 May 2008	Placing under general authority	€0.37	702,203
2 June 2008	Placing under general authority	€0.37	562,163
11 June 2008	Placing under general authority	€0.36	361,111
18 June 2008	Placing under general authority	€0.35	2,200,000
26 June 2008	Placing under general authority	€0.29	1,075,862
14 July 2008	Placing under general authority	€0.25	848,000
21 July 2008	Placing under general authority	€0.26	600,000
21 July 2008	Placing under general authority	€0.25	1,188,852
31 July 2008	Placing under general authority	€0.32	487,500
19 August 2008	Placing under general authority	€0.32	781,250
26 August 2008	Placing under general authority	€0.31	1,006,452
28 August 2008	Placing under general authority	€0.31	838,710
4 September 2008	Placing under general authority	€0.31	503,226
11 September 2008	Placing under general authority	€0.28	557,143
13 October 2008	Placing under general authority	€0.25	1,400,000
17 October 2008	Placing under general authority	€0.27	770,371
22 October 2008	Placing under general authority	€0.27	385,185
20 November 2008	Placing under general authority	€0.25	1,248,000
26 November 2008	Placing under general authority	€0.35	454,285
1 December 2008	Placing under general authority	€0.24	3,000,000
1 December 2008	Placing under general authority	€0.25	1,248,000
5 December 2008	Placing under general authority	€0.29	1,050,000
16 December 2008	Placing under general authority	€0.22	1,363,636
23 December 2008	Placing under general authority	€0.21	952,381
29 January 2009	Placing under general authority	€0.20	952,381
19 February 2009	In satisfaction of fee due under terms of loan facilities	€0.12	8,750,000
25 February 2009	Placing under general authority	€0.10	1,381,369
9 March 2009	Placing under general authority	€0.08	1,706,165
12 March 2009	Placing under general authority	€0.06	2,460,957
17 March 2009	Placing under general authority	€0.06	3,840,550
20 March 2009	Placing under general authority	€0.06	2,851,842
27 March 2009	Placing under general authority	€0.06	1,940,147
7 April 2009	Placing under general authority	€0.06	3,086,598
7 April 2009	Placing under general authority*	€0.07	468,644
14 April 2009	Placing under general authority	€0.06	1,940,147
21 April 2009	Settlement of creditor	€0.07	1,190,476
6 May 2009	Placing under general authority**	€0.01	2
13 May 2009	Placing under general authority	€0.79	342,952
28 May 2009	Placing under general authority	€0.77	210,190
8 June 2009	Placing under general authority	€0.89	364,936
15 June 2009	Placing under general authority	€0.86	251,486
23 June 2009	Placing under general authority***	€0.67	9,478
23 June 2009	Placing under general authority****	€0.67	100,896
23 June 2009	Placing under general authority*****	€0.67	11,194

Notes:

* Placing under general authority to John Moore in consideration of his termination agreement.

** These shares were issued in relation to the share consolidation of the one Ordinary Share for every ten 1p Ordinary Shares effected on 6 May 2009.

*** Placing under general authority to Dr J E Haag, in consideration of services provided.

**** Placing under general authority to Dr Mory Motabar, in consideration of services provided.

***** Placing under general authority, as part of employee incentive programme.

1.3 **Legislation under which the Listing Shares have been created**

The Listing Shares have been created under the Companies Act 1985 (as amended).

The Company's articles of association permit the Company to issue shares in uncertificated form. The Listing Shares are in registered form and may be held in either certificated or uncertificated form through CREST or ESES.

1.4 **Rights attaching to the Listing Shares**

The Listing Shares rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid. Accordingly, the rights attaching to the Ordinary Shares are summarised below.

1.4.1. *Voting rights*

Subject to any rights or restrictions attached to the Ordinary Shares (including as a result of unpaid calls) and/or as mentioned below, every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. Where, in respect of any Ordinary Shares, any registered holder or any other person appearing to be interested in such Ordinary Shares fails to comply with any notice, given by the Company under section 793 of the 2006 Act then, not earlier than 14 days after service of such notice, the Ordinary Shares in question may be disenfranchised.

1.4.2. *Distribution of assets on a winding up*

Subject to any rights and restrictions attached to any shares, in the event of liquidation of the Company the holders of Ordinary Shares are entitled *pari passu* to any surplus dividends. A liquidator may, with the sanction of a special resolution, divide the assets among the members in specie.

1.4.3. *Transfer of Ordinary Shares*

Subject to any rights and restrictions attached to any shares, all transfers of Ordinary Shares may be effected by instrument in writing in any usual or common form or in any other form acceptable to the directors. Any instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Ordinary Shares until the name of the transferee is entered in the Company's register of members.

The directors may, in their absolute discretion (but subject to any rules or regulations of the London Stock Exchange applicable to the Company from time to time) and without assigning any reason therefore, refuse to register the transfer of an Ordinary Share unless it is in respect of a fully paid Ordinary Share in which the Company does not have lien, is in favour of a single transferee or not more than four transferees is in respect of only one class of share, has been presented for registration duly stamped accompanied by the share certificates for the Ordinary Shares to which the transfer relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

Where in respect of any Ordinary Shares any registered holder or any other person appearing to be interested in such Ordinary Shares fails to comply with any notice given by the Company under Section 793 of the 2006 Act then, provided that the Ordinary Shares concerned represent at least 0.25 per cent in nominal amount of the issued Shares, the Company may prohibit transfers of such Ordinary Shares.

Notwithstanding the foregoing (transfer restrictions), in the case of any Shares that are listed for trading on a Regulated Market or MTF and/or admitted for settlement through any Uncertificated System, the Board has resolved that it will not decline to register or recognise any transfer of such shares if the refusal to register or recognise such transfer would not be

permitted by the listing rules of such Regulated Market or MTF or Uncertificated System, through which such securities then trade and settle.

1.4.4. *Dividends and other distributions*

Subject to the provisions of the Companies Act and all other statutes for the time being in force and affecting the Company (the “Statutes”) and any rights and restrictions attached to any shares, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but not exceeding the amount recommended by the directors. The directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. With the sanction of an ordinary resolution, any dividend may be paid and satisfied either wholly or in part of the distribution of specific assets and the directors shall give effect to any such resolution provided that no such distribution shall be made unless recommended by the Directors. The directors may, with the sanction of an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.

Where, in respect of any Ordinary Shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 793 of the 2006 Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may retain dividends on such shares until the disclosure notice is cancelled or ceases to have effect.

All dividends unclaimed for 1 year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and shall revert to the Company absolutely.

1.4.5. *Variation of rights*

Subject to the Statutes and any rights and restrictions attached to any shares, if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either (i) in such a manner (if any) as may be provided by the rights attaching to such class or (ii) in the absence of any such provision, with the consent in writing of the holders of at least 75 per cent. of the nominal amount of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the relevant class. Unless otherwise provided by the rights attaching to any shares, these rights shall be deemed to be varied by the creation or issue of further shares ranking in any respect in priority thereto.

1.5 ***Mandatory Bids, Squeeze-out and Sell Out***

1.5.1. *Mandatory bid*

The City Code on Takeovers and Mergers (the “City Code”) applies to the Company. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the offeror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the offeror, and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the offeror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting

rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights. There are no provisions in the Company's articles of association that would have an effect of delaying, deferring or preventing a change of control of the Company.

1.5.2. *Squeeze-out*

Under the 2006 Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

1.5.3. *Sell-out*

The 2006 Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

1.6 **Public Takeover Bid**

No public takeover bids have been made by the third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.

1.7 **Dutch Takeover Bid**

On 28 October 2007 the Dutch Act implementing the European Directive 2004/25/EC of April 2004 relating to public takeover bids (the "Dutch Takeover Act") and the rules promulgated thereunder came into force. The provisions of the Dutch Takeover Act are included in the DFSA and the rules promulgated thereunder are applicable to the Company due to the listing of its Ordinary Shares on Euronext Amsterdam. In general, under these takeover provisions, it is prohibited to launch a public offer for securities that are admitted to trading on a regulated market, such as the Company's Ordinary Shares following the admission to listing and trading on Euronext Amsterdam, unless an offer document has been approved by the AFM and has subsequently been published. These public offer rules are intended to ensure that in the event of such a public offer, sufficient information will be made available to the holders of our securities, that the holders of our securities will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period. The provisions in the Dutch Takeover Act regarding mandatory takeover bids will not be applicable to the Company.

PART VI

TAXATION

1. United Kingdom

The following paragraphs, which are based on current legislation, summarise the position of Shareholders who are resident and ordinarily resident in the UK for taxation purposes and who hold their shares as an investment. It is intended only as a general guide to the position under current United Kingdom law and HM Revenue & Customs practice as at the date of this document for Shareholders who are the beneficial owners of Ordinary Shares, resident or ordinarily resident in the United Kingdom for tax purposes and who hold their Ordinary Shares as an investment (otherwise than under a personal equity plan) and is not a substitute for the investor obtaining professional advice before business shares. Its applicability will depend upon the particular circumstances of individual Shareholders. This summary is not exhaustive and does not generally consider tax reliefs or exemptions.

1.1 *Taxation of Dividends*

1.1.1. *UK resident individuals*

No tax will be withheld by the Company when it pays a dividend. A UK resident individual Shareholder who receives a dividend from the Company will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (or 10 per cent. of the aggregate of the net dividend and related tax credit). The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The lower rate of income tax on dividend income is currently 10 per cent.

An individual Shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will have no income tax to pay in respect of the dividend.

The higher rate of income tax on dividends is currently 32.5 per cent. This means that a Shareholder who is a higher rate taxpayer (currently 40 per cent.) will have further income tax to pay at a rate of 22.5 per cent. of the cash dividend paid plus the related tax credit (or 25 per cent. of the net dividend). For example, a dividend of £90 will carry a tax credit of £10. The income tax payable by a higher rate taxpayer would be 32.5 per cent. of £100, namely £32.50 less the tax credit of £10 leaving a net tax liability of £22.50.

Changes announced in the 2009 Budget mean that from 2010-11 there will be three rates of tax for dividends. Dividends otherwise taxable at the 20 per cent. basic rate will continue to be taxable at the 10 per cent. dividend ordinary rate and dividends otherwise taxable at the 40 per cent. higher rate will continue to be taxable at the 32.5 per cent. dividend higher rate. However with effect from 6 April 2010, a 50 per cent. tax rate will apply to income over £150,000. Dividends otherwise taxable at the new 50 per cent. additional rate will be taxable at a new 42.5 per cent. dividend additional rate.

UK resident Shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.

1.1.2. *UK resident companies*

A UK resident corporate Shareholder will not generally be liable to corporation tax on any dividend received from the Company and the dividend received and related tax credit will constitute franked investment income.

Whether a Shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim repayment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the Shareholder's country of residence and the UK. A non-UK resident Shareholder may also be subject to foreign taxation on dividend income. Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

1.2 ***Taxation of chargeable gains***

1.2.1. *UK resident individuals*

The amount paid for the Ordinary Shares will usually constitute the base cost of a Shareholder's holding. If, in the case of individuals and trustees, a Shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may arise depending on the circumstances.

Changes introduced in the 2008 Budget mean that for disposals after 5 April 2008, taper relief and indexation, where relevant, ceased to apply, and all chargeable gains made by such individuals will be liable to taxation at a flat rate of 18 per cent. (subject to any available exemptions or reliefs).

1.2.2. *UK resident companies*

A disposal of Ordinary Shares by a corporate Shareholder which is UK resident for tax purposes may give rise to gain (or loss) for the purposes of corporation tax on capital gains, subject to any available reliefs or exemptions, indexation allowance which may be available to reduce the amount of any gain.

If a UK company holds 10 per cent. or more of the ordinary share capital of the Company, Substantial Shareholdings Exemption (SSE) may apply subject to certain conditions being satisfied (such as if the Company was the holding company of a trading group). If SSE applied, any gain or loss arising would be reduced to nil.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than in the UK, you should consult your professional adviser immediately.

1.3 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

1.3.1. *New Ordinary Shares*

No Stamp Duty or SDRT will generally arise on the issue of Ordinary Shares unless they are issued to a depositary or clearing system in which case special rules apply.

Any transfer of Ordinary Shares will generally give rise to a 0.5 per cent. charge (rounded up to the nearest £5) subject to the minimum limits. This will be charged on the actual consideration given. Liability to stamp duty or stamp duty reserve tax is generally that of the transferee.

A charge to SDRT will also arise on any agreement to transfer the Ordinary Shares. Where SDRT arises this is generally payable at 0.5 per cent. of the consideration given in money or moneys worth. In order to prevent a double charge arising where the document of transfer is stamped within 6 years of the agreement to transfer the Ordinary Shares the charge to SDRT is generally cancelled and any SDRT that has been paid is normally repaid.

Where the Ordinary Shares are issued or transferred to or held in a depositary or clearance service special rules apply and you should consult your professional adviser.

The above statements are intended only as a general guide to the current stamp duty and stamp duty reserve tax position. Transfers to certain categories of persons are not liable to stamp duty or stamp duty reserve tax.

1.4 ***Inheritance tax***

1.4.1 If any individual is or is deemed to be domiciled in the UK for inheritance tax purposes, inheritance tax may be payable in respect of the shares on the death of the Shareholder or any gift of shares during the Shareholder's lifetime which qualifies as a chargeable lifetime transfer.

2. **The Netherlands**

2.1 ***Summary of Dutch tax consequences***

The following is a summary of certain material Dutch tax consequences of the purchase, holding and disposal of the Ordinary Shares. This summary does not purport to describe all potential Dutch tax consequences that may be relevant for a holder or prospective holder of Ordinary Shares. In particular it does not purport to describe the possible Dutch tax consequences that may be relevant for holders or prospective holders of Ordinary Shares that qualify as Dutch pension funds, Dutch qualifying investments institutions ("fiscale beleggingsinstellingen") or Dutch exempt investment institutions ("vrijgestelde beleggingsinstellingen") or the possible Dutch tax consequences that may be relevant to holders or prospective holders of Ordinary Shares who receive or have received the Ordinary Shares or any benefits from these shares as employment income, deemed employment income or otherwise as compensation.

In view of its general nature, this summary should be treated with corresponding caution. Prospective investors should consult with their professional advisers with regard to the Dutch tax consequences to the purchase, holding and disposal of Ordinary Shares in their particular circumstances.

Except as otherwise indicated, this summary only addresses the Dutch tax legislation and regulations as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

2.2 ***Dutch Taxes on Income and Capital Gains***

2.2.1. *Netherlands-resident individuals*

It is assumed that the Ordinary Shares, following the purchase thereof by an individual who is resident or deemed resident in the Netherlands for Dutch tax purposes or who has made an election for the application of the rules of the Dutch Income Tax Act 2001 as they apply to individual residents of the Netherlands (hereinafter: "Netherlands-resident individual"), (i) are not attributable to an enterprise from which such a resident individual derives a share of the profit, whether as an entrepreneur (statutorily defined term) or as a person who has co-entitlement to the net-worth of such enterprise without being an entrepreneur or a Shareholder and (ii) cannot be characterised as and are not part of a substantial interest or deemed substantial interest (statutorily defined terms) of the Netherlands resident individual in Antonov. In addition it is assumed that such a resident individual does not carry out activities that exceed normal, active asset management ("normaal actief vermogensbeheer") to which activities the purchase, holding and disposal of Ordinary Shares are related, or derives benefits from the Ordinary Shares that are (otherwise) taxable as benefits from other activities ("resultaat uit overige werkzaamheden").

Generally speaking, a Netherlands-resident individual is considered to hold a substantial interest in a company, if such holder, alone or together with his/her partner (a statutorily defined term), or certain of their relatives by blood or marriage in the direct line (including foster children) directly or indirectly, holds:

- (i) An interest of 5 per cent. or more of the total issued and outstanding capital of that company; or
- (ii) An interest of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or
- (iii) Holds rights to acquire, directly or indirectly, such interest; or
- (iv) Holds certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or to 5 per cent. or more of the company's liquidation proceeds.

A deemed substantial interest arises if a substantial interest (or part thereof) has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Subject to the above assumptions, as a general rule, the Ordinary Shares will be included in the Netherlands resident individual Shareholders' net investment assets ("rendementsgrondslag") Netherlands-resident individual Shareholders will be taxed annually in respect of a deemed income of 4 per cent. of the aggregate amount of their net investments at a rate of 30 per cent. (so-called Box III taxation). The net investments for a certain year are calculated as the average of the fair market value of the investments assets less the allowable liabilities at the beginning and at the end of that year. Taxpayers are entitled to a tax-free allowance of €20,661 in 2009 (€41,322 in the case of partners (statutorily defined term)). Gains realised by a Shareholder upon the disposal of Ordinary Shares as such will not be subject to Dutch income tax. Conversely, losses incurred by a Shareholder upon the disposal of the Ordinary Shares will as such not be deductible for Dutch income tax purposes.

2.2.2. *Netherlands-resident entities*

Generally, any benefit derived or deemed to be derived from the Ordinary Shares held by entities that are resident or deemed to be resident in the Netherlands for Dutch tax purposes (hereinafter: "Netherlands-resident entities"), including any capital gains realised or deemed realised upon the disposal of Ordinary Shares, will be subject to corporate income tax at a rate of 25.5 per cent. (2009), with a rate of 20 per cent. applying to the first €40,000 and a rate of 23 per cent. applying to the next €160,000 of taxable profits (2009), unless the participation exemption is applicable. Pursuant to the participation exemption, dividends and capital gains (and losses) derived from a qualifying shareholding are exempt from corporate income tax. Generally, the participation exemption applies to participations comprising not less than 5 per cent. of the issued and paid-up share capital of a company provided that certain requirements are met.

2.2.3. *Non-resident persons*

It is assumed that the Ordinary Shares, following the purchase thereof, are not attributable to an enterprise or deemed enterprise (statutorily defined term) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands in which a Shareholder has an interest.

On basis of the above assumption, generally, a Shareholder will not be subject to Dutch taxes on income or capital gains in respect of any gain or deemed gain realised on the disposal or exercise of the Ordinary Shares, provided that:

- (i) such holder is neither resident nor deemed to be resident of the Netherlands and in the event such holder is an individual, has not made an election for the application of the rules of the Dutch Income Tax Act 2001 as they apply to individual residents of the Netherlands; and

- (ii) such holder, in the event such a holder is an individual, does not carry out any activities in the Netherlands with respect to the Ordinary Shares that exceed normal, active asset management (“normaal actief vermogensbeheer”), nor derives benefits from the Ordinary Shares that are (otherwise) taxable as benefits from other activities in the Netherlands (“resultaat uit overige werkzaamheden”).

2.3 Dutch Gift, Estate and Inheritance Tax

2.3.1. Netherlands-resident persons

An acquisition of Ordinary Shares by way of a gift by, or on the death of, a Shareholder who is resident or deemed to be resident in the Netherlands at the time of the gift or his/her death is subject to Dutch gift, estate or inheritance tax. For purposes of Dutch gift, estate and inheritance taxes, an individual who holds the Dutch nationality will be deemed to be resident in the Netherlands if he or she has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, an individual who is not holding the Dutch nationality will, among others, be deemed to be resident in the Netherlands if he or she has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

2.3.2. Non-resident persons

No Dutch gift, estate or inheritance tax will be imposed upon the transfer of Ordinary Shares by way of gift, or by death of, a Shareholder who is neither resident nor deemed to be resident in the Netherlands, unless (i) such holder at the time of the gift has or at the time of his/her death had an enterprise or an interest in an enterprise that, in whole or in part, is or was either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Ordinary Shares are or were attributable or (ii) in the case of a gift of Ordinary Shares by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

2.4 Dutch Withholding tax

Considering that Antonov is not a Netherlands-resident entity, no Dutch withholding tax should arise in connection with the holding or disposal of Ordinary Shares.

2.5 Other Dutch Taxes and Duties

No Dutch registration tax, turnover tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable by a holder of Ordinary Shares in connection with the purchase, holding or disposal of Ordinary Shares.

PART VII

ADMISSION TO TRADING AND DEALING ARRANGEMENTS

The purpose of the Prospectus, of which this document forms part, is to assist in the admission of the Listing Shares (as detailed in Part V of this document) to trading on Euronext Amsterdam by NYSE Euronext. The expected timetable of principal events is as follows:

Publication of this document 23 July 2009

Dealings commence in the Listing Shares on Euronext Amsterdam
by NYSE Euronext from 9.00 a.m. (CET) on, 29 July 2009

The Ordinary Shares are admitted to trading on AIM and, with the exception of the Listing Shares, have been listed on Euronext Amsterdam by NYSE Euronext. The Listing Shares are identical to the Ordinary Shares and will be traded under the same ISIN code GB00B3SHND79. Furthermore the Listing Shares will become accepted for clearance through the book-entry facilities of ESES and CREST.

PART VIII

DEFINITIONS

“2006 Act”	the Companies Act 2006
“Admission”	admission of the Listing Shares to trading on Euronext Amsterdam becoming effective
“AFM”	Netherlands Authority for the Financial Markets (stichting Autoriteit Financiële Markten)
“AIM”	the market of that name operated by London Stock Exchange plc
“Companies Act”	the Companies Act 1985 and the 2006 Act (as applicable and as such provisions are in force from time to time)
“Company” or “Antonov”	Antonov plc, a company incorporated in England and Wales with registered number 3003533
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Security Regulations 2001 (SI 2001 No. 3755), as amended
“Directors”	the directors of the Company whose names are set out on page 11 of this document
“DFSA”	Dutch Financial Services Act (Wet op het financieel toezicht)
“EEA”	European Economic Area
“Euroclear Nederland”	is the Dutch Central Securities Depository, the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
“Euroclear Nominees Limited”	is an admitted institution in ESES and hold shares for the benefit of investors holding securities accounts in accordance with the Giro Securities Transfer Act (“Wet Giraal Effectenverkeer” or “Wge”)
“Equity Facility Agreement”	the agreement dated 18 February 2009 (as amended by an agreement dated 16 July 2009) between the Company and Quivest B.V., details of which are set out in Part IV of this document
“Equity Facility”	the equity facility of up to €20 million to be provided to the Company pursuant to the Equity Facility Agreement
“ESES”	the settlement system known as Euroclear Settlement of Euronext Zone Securities operated by Euroclear Nederland
“Euronext Amsterdam”	a market operated by NYSE Euronext
“Group”	the Company and its subsidiaries
“Listing Shares”	the 8,160,825 Ordinary Shares set out in Part V of this document, for which Antonov is seeking Admission
“Loan Facility”	the loan facility of up to €15 million to be provided to the Company pursuant to the Loan Facility Agreement
“Loan Facility Agreement”	the agreement dated 18 February 2009 between the Company and Quivest BV relating to the Loan Facility and summarised in paragraph 17.3 of Part IX of the Registration Document
“MTF”	a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and

	selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract
“Ordinary Shares”	the ordinary shares of 10p each in the capital of the Company
“Prospectus”	this Securities Note and the Registration Document
“Prospectus Rules”	the Prospectus Rules issued by the Financial Services Authority and made under Part IV of the Financial Services and Markets Act 2000 (as amended)
“Registration Document”	the share registration document dated 23 July 2009 prepared by the Company in relation to the Group
“Regulated Market”	a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly including, but not limited to, Euronext Amsterdam
“Securities Note”	this document, dated 23 July 2009
“Shareholder”	a holder of Ordinary Shares
“Uncertificated System”	any relevant transfer, settlement and clearing system, including such system operated by Euroclear Nederland

