

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE YOU SHOULD CONSULT A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER, WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES.**

This Document comprises an Admission Document drawn up in accordance with the requirements of the PLUS Rules for Issuers. This Document constitutes a financial promotion under, and its contents have been approved pursuant to, section 21 of FSMA by St Helen's Capital PLC. This Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA and has not been prepared in accordance with the Prospectus Rules and has not been approved by the FSA or by any other competent authority which could be a competent authority for the purposes of the Prospectus Directive. There is no requirement for this document to be approved by the Isle of Man Financial Supervision Commission or by any other governmental or regulatory authority in the Isle of Man or elsewhere and this document will not be filed with any such authority. The share capital of the Company is not presently listed or dealt in on any stock exchange.

The share capital of the Company is not included in the Official List maintained by the FSA as the UK Listing Authority. An application has been made for the share capital of Arrowpoint Technologies Plc to be traded on the PLUS-quoted Market, which allows trading in the shares of unlisted companies. The PLUS-quoted Market, which is operated by PLUS Markets plc, a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and PLUS-quoted securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in PLUS-quoted securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. The Company can give no assurance that an active trading market for shares in Arrowpoint Technologies Plc will develop or, if developed, be sustained following its admission to the PLUS-quoted Market. If an active trading market is not developed or maintained, the liquidity and trading price of Arrowpoint Technologies Plc could be adversely affected. It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority or to trading on AIM. The rules of the PLUS-quoted market are less demanding than those of the Official List or AIM.

---

# Arrowpoint Technologies Plc

*(Incorporated in the Isle of Man under the Isle of Man Companies Act 2006 with company number 1170V)*



**Offer for Subscription of up to 925,000 New Ordinary Shares**

**at 13 pence per New Ordinary Share**

**and**

**Admission to trading on PLUS**

**PLUS CORPORATE ADVISER**



**St Helen's Capital Plc**

---

**Share capital of the Company on Admission  
assuming full subscription under the Offer**

<b>Available for Issue</b>		<b>Issued</b>	
<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
£2,500,000	250,000,000	£2,003,309.50	200,330,950

The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the other Ordinary Shares in issue immediately following Admission and will rank in full for all dividends and other distributions hereafter declared, paid or made on the Ordinary Share capital of the Company. Please refer to section 14 of Part I of this Document for further details of the Company's dividend policy.

The Directors of Arrowpoint Technologies Plc, whose names appear on page 5, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Document is provided solely for the use of prospective investors in connection with evaluating the Offer of New Ordinary Shares and in connection with Admission. Nothing in this Document constitutes investment, legal, accounting or tax advice, or a representation that any investment strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you.

**Any individual wishing to buy or sell securities which are traded on the markets operated by PLUS Markets, must trade through a stockbroker (being a member of PLUS Markets plc and authorised and regulated by the Financial Services Authority) as the market's facilities are not available directly to the public**

St Helen's Capital Plc, which is authorised and regulated by the Financial Services Authority and is a member of PLUS, is the Company's corporate adviser for the purposes of Admission.

The Offer will open on 6 August 2009 and close on 20 August 2009, unless extended by the Company or in the event of full subscription beforehand. It is expected that Admission will take place and dealings in the Ordinary Shares (including the New Ordinary Shares) will commence three business days after the Offer closes.

St Helen's Capital Plc has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible.

The advisers named on page 5 of this Document are acting for the Company and no one else in relation to Admission and other arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice to any other person on and/or in relation to the contents of this Document.

The distribution of this Document outside the UK may be restricted by law and therefore persons outside the UK into whose possession this Document comes should inform themselves about and observe any restrictions in relation to the Ordinary Shares and/or the distribution of this Document. The Ordinary Shares have not been, and will not be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Canada, Australia, the Republic of Ireland, South Africa or Japan and they may not be offered or sold directly or indirectly within the United States, Canada, Australia, the Republic of Ireland, South Africa or Japan or to, or for the account or benefit of, US persons or any national, citizen or resident of the United States, Canada, Australia, the Republic of Ireland, South Africa or Japan or in any other jurisdiction where to do so or to attempt to do so would be unlawful. This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. It should be remembered that the price of securities and the income from them (if any) can go down as well as up.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offer, including the merits and risks involved. Potential investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subsequent holding or disposal of the New Ordinary Shares.

**The text of this Document should be read in its entirety. An investment in Arrowpoint Technologies Plc involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part II of this Document. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors. An investment in the Company may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.**

<b>CONTENTS</b>	<b>PAGE</b>
<b>FORWARD-LOOKING STATEMENTS</b>	4
<b>SUMMARY OF THE OFFER</b>	4
<b>EXPECTED TIMETABLE OF PRINCIPAL EVENTS</b>	4
<b>DIRECTORS, SECRETARY AND ADVISERS</b>	5
<b>DEFINITIONS</b>	6
<b>GLOSSARY OF TECHNICAL TERMS</b>	8
<b>PART I INFORMATION ON THE GROUP</b>	
1. INTRODUCTION	9
2. INDUSTRY OVERVIEW	9
3. THE GROUP'S PRODUCTS AND SERVICES	9
4. THE GROUP'S CUSTOMERS	14
5. GROUP STRUCTURE	14
6. FINANCIAL INFORMATION	14
7. FUTURE GROWTH AND STRATEGY	15
8. DIRECTORS	15
9. GROUP PREMISES	16
10. COMPETITION	16
11. REASONS FOR ADMISSION	16
12. THE IPO	17
13. DEALING RESTRICTIONS	17
14. DIVIDEND POLICY	18
15. SHARE OPTION SCHEME	18
16. CORPORATE GOVERNANCE	18
17. CREST	18
18. RISK FACTORS	19
19. TAXATION	20
20. SUBSTANTIAL SHAREHOLDER AND CITY CODE ON TAKEOVERS AND MERGERS	21
21. ADDITIONAL INFORMATION	21
<b>PART II RISK FACTORS</b>	20
<b>PART III FINANCIAL INFORMATION ON THE GROUP</b>	22
<b>PART IV UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS</b>	56
<b>PART V STATUTORY AND GENERAL INFORMATION</b>	60
<b>PART VI APPLICATION PROCEDURE</b>	79
<b>PART VII TERMS AND CONDITIONS OF THE OFFER</b>	81
<b>PART VIII APPLICATION FORM</b>	85

## FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Company's prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "shall", "will" and other cognate expressions or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Document headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected by the Directors. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. It is emphasised that this Document does not contain any financial projections of the Company and that past performance is not to be treated as a guide to future performance.

These forward-looking statements speak only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the PLUS Rules whether as a result of new information, future events or otherwise.

## SUMMARY OF THE OFFER

Subscription Price per New Ordinary Share	13p
Existing Ordinary Shares	199,405,950
New Ordinary Shares to be issued under the Offer (assuming full subscription)	925,000
Enlarged Ordinary Share Capital	200,330,950
Estimated gross proceeds (assuming full subscription)	£120,250
Minimum amount to be raised	£100,000
Minimum subscription per Application	£845 or 6,500 New Ordinary Shares
Expected market capitalisation on Admission (assuming full subscription)	£26.04 million

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	6 August 2009
Offer opens	6 August 2009
Offer closes	20 August 2009
Allocation and allotment of New Ordinary Shares	24 August 2009
New Ordinary Shares credited to CREST (where applicable)	25 August 2009
Expected admission of trading on PLUS	25 August 2009
Despatch of share certificates (where applicable)	2 September 2009

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Nirmal Kedia (Non-Executive Chairman) Santanu Nandy (Managing Director) Peter D'Amato (Finance Director) Graham Cole (Non-Executive Director)
<b>Registered Agent</b>	Dickinson Cruickshank Fiduciaries Limited 33-37 Athol Street Douglas Isle of Man IM1 1LB
<b>Registered Office</b>	33-37 Athol Street Douglas Isle of Man IM1 1LB
<b>Business Telephone number</b>	001 703 709 1000
<b>Website address</b>	<a href="http://www.arrowpointtechnologies.com">www.arrowpointtechnologies.com</a>
<b>Corporate Adviser</b>	St Helen's Capital Plc 15 St Helen's Place London EC3A 6DE
<b>Reporting Accountants and Auditors</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
<b>Legal advisers to the Company as to English Law</b>	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH
<b>Isle of Man Legal Advisers to the Company</b>	Dickinson Cruickshank 33 Athol Street Douglas Isle of Man IM1 1LB
<b>Registrars</b>	Computershare Investor Services (Isle Of Man) Limited International House Castle Hill Victoria Road Douglas Isle of Man IM2 4RB
<b>Receiving agents for the Offer</b>	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH

## DEFINITIONS

In this Document, where the context permits, the terms set out below shall have the following meanings:

“Admission”	admission of the Issued Share Capital to trading on the PLUS-quoted Market and such admission becoming effective in accordance with the PLUS Rules
“AIM”	the AIM Market operated by London Stock Exchange Plc
“Applicant”	a person who applies for New Ordinary Shares pursuant to the Offer
“Arrowpoint Technologies” or “Company”	Arrowpoint Technologies Plc, a limited company incorporated in the Isle of Man with company number 1170V
“Articles”	the articles of association of the Company
“ATI”	Arrowpoint Technologies Inc., a company incorporated in the state of New Jersey, United States of America
“ATPL”	Arrowpoint Technologies Private Ltd, a company incorporated in India
“Board”	the board of directors of the Company
“Business Day”	means a day, not being a Saturday or Sunday, on which banks are open for business in the City of London
“CFO”	Chief Financial Officer
“CIO”	Chief Information Officer
“City Code”	the City Code on Takeovers and Mergers
“Closing Date”	the date on which the Offer closes which will be 20 August 2009, unless extended by the Board or closed beforehand if the Offer is fully subscribed
“Combined Code”	the Principles of Good Governance and the Code of Best Practice promulgated by the Financial Reporting Council
“Companies Act”	the Isle of Man Companies Act 2006, as amended
“CREST”	the computer based settlement system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by EUROCLEAR UK
“CREST Regulations”	the Isle of Man Uncertificated Securities Regulations 2006 (SD 743/06)
“Directors”	the directors of the Company at the date of this Document and whose names are set out on page 5 of this Document
“Document”	this Document
“EBITDA”	earnings before interest, taxation, depreciation and amortisation
“Enlarged Ordinary Share Capital”	the number of Ordinary Shares in issue immediately following the closing of the Offer (assuming full subscription), comprising the Existing Ordinary Shares and the New Ordinary Shares
“Existing Ordinary Shares”	the 199,405,950 Ordinary Shares in issue as at the date of this Document
“EUROCLEAR UK”	Euroclear UK and Ireland Limited, the operator of CREST
“Founders”	the Directors and certain initial shareholders in the Company
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company, ATI, ATPL and Lynchval

“IPO”	means the initial public offering of the New Ordinary Shares pursuant to the Offer
“Issued Share Capital”	the 200,330,950 Ordinary Shares in issue as at the date of this Document and immediately following Admission assuming full subscription under the Offer
“London Stock Exchange”	London Stock Exchange Plc
“Lynchval”	Lynchval Systems Worldwide Inc., a company incorporated in the state of Virginia, United States of America
“Memorandum”	the memorandum of association of the Company
“Minimum Amount”	means £100,000 (gross) to be subscribed under the Offer
“New Ordinary Shares”	the 925,000 Ordinary Shares available under the Offer
“Offer”	the offer for subscription of up to 925,000 New Ordinary Shares as set out in this Document
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the authorised ordinary shares of 1 penny each in the capital of the Company and reference to an “Ordinary Share” shall be to any one of them
“PAT”	profit after taxation
“p” , “pence” or “penny”	one hundredth part of one pound sterling
“PLUS” or “PLUS Markets”	PLUS Markets Plc, a recognised investment exchange under section 290 of the Financial Services and Markets Act 2000
“PLUS-quoted Market”	the primary market for unlisted securities operated by PLUS
“PLUS-quoted securities”	securities admitted to the PLUS-quoted market
“PLUS Rules”	the PLUS Rules for Issuers, which set out the admission and disclosure standards for companies on the PLUS-quoted market
“Solvency Test”	the solvency test referred to in section 49 of the Companies Act, which the Company satisfies if it is able to pay its debts as they become due in the normal course of the Company’s business and the value of its assets exceeds the value of its liabilities
“Special Resolution”	a resolution of a member or members of the Company passed (i) on a show of hands by a majority of not less than 75 per cent of such members as are present and voting at the relevant meeting and are entitled under the Articles to vote on a show of hands; or (ii) on a poll by a member or members of the Company holding not less than 75 per cent of the voting rights attributable to the shares held by the member or members present and voting at the relevant meeting and are entitled under the Articles to vote on a poll; or (iii) for so long as the Company has only one member, by a resolution consented to in writing by the sole member
“St Helen’s Capital”	St Helen’s Capital Plc, the Company’s corporate adviser and broker for the purposes of the PLUS Rules, which is authorised and regulated by the FSA
“Subscription Price”	13p per New Ordinary Share
“Turnkey”	Turnkey Software People India Private Limited, a private company incorporated in India
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended)

“USA”	United States of America
“USD”	United States dollars
“£” or “sterling”	United Kingdom pounds sterling

References to times and dates are to those observed in London, England.

## **GLOSSARY OF TECHNICAL TERMS**

“401(k)”	A pension plan, the terms of which allow workers in the United States of America to invest while deferring taxes until money is withdrawn
“AUM”	Assets Under Management
“BFSI”	Banking and Financial Services Industry
“CMMI”	Capability Maturity Model Integration
“CPA”	Certified Public Accountant
“DB”	Defined Benefits
“DC”	Defined Contributions
“EAI”	Enterprise Application Integration
“ERISA”	The United States Employee Retirement Income Security Act of 1974
“ERP”	Enterprise Resource Planning
“GASB”	Government Accounting Standards Board, the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments in the USA
“KPO”	Knowledge Process Outsourcing
“OPEB”	Other Post Employment Benefits
“PBGC”	Pension Benefit Guarantee Corporation
“TPA”	Third Party Administrators
“VOIP” or “Voice Over Internet Protocol”	A general term for a family of transmission technologies for delivery of voice communications over information networks such as the Internet

## PART I

### INFORMATION ON THE GROUP

#### 1 Introduction

Arrowpoint Technologies is a holding company which, through its subsidiary companies based in the USA and India, offers information technology services, products and solutions to the retirement and financial services industry, primarily in the USA.

The Group operates primarily in the USA and India and has developed IT products for the US retirement industry where it has a leading position in the provision of Defined Benefit (DB) solutions; its operations are supported by senior actuaries, software architects and developers in the United States and in India.

The Group's various products and solutions have been in use for over 30 years. Its clients include major Fortune 500 retirement services companies and their subsidiaries such as Mass Mutual, Principal Financial and Union Bank of California. It is also a service provider to The Pension Benefit Guarantee Corporation (PBGC) of the USA. PBGC is the central federal body in the USA for the protection of workers' pensions. The Group also provides offshore actuarial and data conversion services from its Development and Support Centre in Chennai, India. In addition, the Group operates an off shore Product Development Support Centre which undertakes product development and 24/7 critical support for customers such as Coty Inc and AST Equity of the USA.

In the nine months ended 31 December 2008, the Group reported profit before tax of US\$430,000 on revenues of US\$11.8 million.

#### 2 Industry Overview

The retirement industry globally is worth more than USD 20 trillion annually. Within the US retirement industry, where the Company's activities are focused, there are three generally recognised forms of pension plans:

##### **Defined Benefit (DB)**

These include final salary schemes. The principle is that the members are entitled to a particular level of benefit depending on their length of service and their salary. It is the pension benefit which is defined and it is then necessary to ensure that the contributions from both the employer and the employee are sufficient to provide that benefit.

##### **Defined Contribution (DC)**

These are pension schemes into which an employer pays regular contributions fixed as an amount or percentage of pay. Employers have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay some or all of the employee's benefits relating to the employee's service. Benefits are determined by reference to contributions paid into the scheme and the investment return on those contributions.

##### **Other Post Employment Benefits (OPEB)**

These are non-pension benefits offered by state and local governments to persons after they leave employment, such as retiree health care, but can also include other benefits such as health insurance.

DB plans are highly regulated, require pension certified actuaries and are very sophisticated and complex to administer. DC plans are less complex and do not require actuarial support. OPEB plans require actuarial valuations to determine their liabilities and also require administration of the funds within the plans.

All of these retirement products therefore require tailored software solutions to ensure accurate administration and monitoring. The Group's strong position in this market results from its ability to provide a suite of products and services which facilitate effective administration of DB, DC and OPEB schemes.

#### 3 The Group's Products and Services

The Group has three principal operating divisions:

- retirement industry products and solutions – Lynchval Systems Worldwide, Inc. (USA);
- offshore services – Arrowpoint Technologies Private Ltd (India); and
- consulting and integration services – KeyTech (USA).

### 3.1 Lynchval

#### Overview

Lynchval is a Defined Benefit pension plan software and services provider in the USA, with 25 years experience in the industry. Lynchval was acquired by ATI in September 2007 and is now a wholly owned subsidiary of ATI. Lynchval is headquartered in Chantilly, Virginia (a suburb of Washington, D.C.) and also has offices in downtown Washington, D.C., Plano, Texas (a suburb of Dallas), and Chennai, India.

Since 1982, Lynchval has been providing innovative solutions for the retirement industry through the development of creative software tools and packages. The company still leases these packages to clients and offers them integrated actuarial knowledge and systems expertise in software development.

Since commencing operations, Lynchval has designed and developed an entire product portfolio that it provides to clients in the retirement sector. DB products include a valuation system; an asset and liability projection modelling system; an administration system; and a pension accounting system. The company also provides products for the DC and the OPEB sectors. Lynchval also provides a diversity of complementary supportive consulting services, including actuarial and technical consulting.

The company employs highly qualified and experienced actuaries and technologists in order to support its global product and consulting base. Three of its staff members hold doctorates; one is a Doctor of Economics, one an Actuarial Fellow, and one is a Certified Public Accountant. Other staff members include two attorneys, one of whom is a pension (ERISA) attorney, as well as a certified actuary.

Lynchval has expanded its product and service offerings to two new areas. The first is the provision of legal structuring, financial analysis/support and actuarial projections/services for political sub-divisions (e.g. States, Counties and Municipalities) and for-profit corporations with under-funded health care and/or pension plans. The second is technical integration services, where Lynchval assists a client with its ERP and EAI needs on a global 24/7 basis.

Lynchval has already moved some of its back office operations to Chennai, thereby reducing its cost of operations and will over the coming months move the remainder of its back office operations to ATPL in Chennai.

Lynchval's clients include the PBGC; Amtrak; Bridgestone; Firestone; DuPont; Coty; New York City Agencies; and some of the largest and most prestigious insurance companies and banks in the United States.

#### Management and Key Employees

The senior management and key employees of Lynchval are:

	Industry Experience	Role in Organisation
Dr. Richard Feller	42 years	President (and Corporate Strategist for ATI)
Lawrence Bell	15 years	Principal
Jeffrey J. Lane	24 years	Chief Actuary
Thomas J. Mitchell	33 years	Chief Actuary for two major PBGC projects
Douglas Eckley	30 years	Senior Actuary
Cheryl L. Manson	30 years	Actuary
Dr. Dhaneshwar (Dan) Balroop	12 years	DB Systems and Consulting Manager
Raymond Loycano	19 years	Chief Technology Officer
James D Mullen	30 years	Director, Sales
Abi Philip	18 years	Director

#### Strategy

Lynchval's growth strategy includes the introduction of new product offerings and additional features in existing products to increase product revenue provision. Most importantly, however, the Group has now developed a product in the USA called the Unique Solution® from Lynchval, which represents an important step forward in the administration of OPEB plans.

GASB (Governmental Accounting Standards Board) Statements 43 and 45 require government employers to recognise the cost of an employee's post-employment benefits during that employee's period of employment and to report any shortfall as a liability in their financial statements. Significant unfunded liabilities arising from these GASB Statements could have a serious effect on an employer by impacting its credit rating and thereby increasing its cost of borrowing.

The Unique Solution® from Lynchval overcomes shortfalls inherent in the current funding schemes by giving government employers the ability to pre-fund post-retirement medical coverage using a special purpose "Section 115" trust.

By segregating post-retirement costs into a Section 115 trust, government employers can apply a higher discount rate to those costs than would normally be permissible under GASB 43 and 45, thereby lowering the accounting expense that the employer must report for the post-retirement liability. Accordingly, the primary benefit of establishing such a trust is that GASB 43 and 45 allow the employer to invest assets long term (typically 30 years) to earn a rate of return higher than the return on general operating funds. Under the Unique Solution®, the proceeds of an OPEB bond issued by a government employer are therefore used not only to fund the current expenses but also to pre-fund the redemption of the bond itself through the existing Annual Recurring Cost, as the issuer anticipates that the investment yield from the bond assets will exceed the interest paid to the bond holders.

Based on this method, the Section 115 trust is able to receive an amount equal to the principal of the bonds at the time of its maturity.

The Directors believe that the Unique Solution® is the most economically efficient way to administer OPEB liabilities and that its benefits are four fold:

1. it creates a positive benefit for the employees via their plan;
2. it addresses the possible short falls of the program being underfunded;
3. it provides additional funding necessary for the employer to meet its commitments; and
4. it provides benefits to the employer after the trust terms are met.

A recent estimate of OPEB liability which government employers in the United States may be obliged to meet puts that liability at US\$1.8tn. The Directors believe that this represents a very significant opportunity for the application of the Lynchval Unique Solution and that Lynchval is well positioned to penetrate that market. Typical administration contracts awarded in this area are expected to last approximately 30 years (the duration of the associated bond) and to generate a fixed annual income over that period. Lynchval is currently in the final stages of negotiating its first contract for its Unique Solution®, which if successful, would provide Lynchval with revenue of approximately \$3.0 million per annum for approximately 30 years. The Directors believe that the Unique Solution® from Lynchval is the first product in this market and are therefore extremely confident about its prospects.

The patent in relation to the Unique Solution® is currently registered in the name of Lawrence Bell, who is Lynchval's Principal. The terms of the necessary and relevant contractual arrangements to, amongst other things, vest the legal title in the patent in the name of Lynchval, are currently being negotiated between Mr Bell and Lynchval. The Directors are confident that these arrangements will be settled and entered into in relatively short order following Admission.

## **3.2 ATPL**

### **Overview**

ATPL is a software solutions company with its headquarters in Chennai, India, where it operates a development centre that also provides support systems, including pension plan conversions. In addition, ATPL operates a 24/7 product support centre for large clients and a product development and production support practice for clients with outsourced product development needs. ATPL was incorporated in 2003.

The company was founded by Chokanath R Chandrasekhar and his wife Radhika Chandrasekhar, with the main objective of providing services to organisations in the Banking and Financial Services sector with special emphasis on the 401(k) retirement plan in the USA. ATPL was taken over in December 2005 by the company's current management team.

Customers of the company have included Sigma Technologies Inc, 401(k) Exchange Inc, Johnson & Johnson Services Inc and AST Equity Options Inc. ATPL's primary strengths include product development in Java and .NET platforms in the retirement and employee benefit areas.

### **ATPL's Services**

- Offshore Outsourcing

ATPL provides comprehensive and cost-effective IT solutions and services to organisations and institutions worldwide, mainly in Java, .Net and Oracle platforms.

- Product Development

ATPL has a team of software professionals and information technologists who understand the client's software requirements and design the relevant product.

- Pension Services

ATPL provides pension administration and support systems which include the plan conversions from its knowledge processing outsourcing department in Chennai that are worked on by its in-house actuarial analysts and programmers on behalf of clients of Lynchval. APTL's pension administration solution is administered by a combination of an in-house software product and a team of actuaries which assists its clients in managing and maintaining the clients' pension plans.

- EnterpriseStrategyWare - ("ESWare")

The "Balanced Scorecard" was originally introduced by David Norton and Robert Kaplan in 1992 at the Harvard Business School as a management tool for measuring the operational activities of a company against its objectives in terms of vision and strategy. ESWare, developed by ATPL, is a programme strategy management tool, as well as a business activity management ("BAM") tool, which enhances the Balanced Scorecard concept and is a simple and effective solution to enable the client to improve its performance in critical areas. ESWare enables the user to track strategy execution with a drag and drop down interface and drill down features allowing the client to analyse the key performance indicators using ATPL's technology. ESWare is easily integrated with users' existing applications to compare targeted performance with actual results for performance measurement and analysis. In addition, historical information may be loaded and analysed to obtain a more accurate assessment of a company's performance.

- Employees Staff Purchase Plan – ("ESPP")

ESPP is a financial product that has been developed and supported by the software professionals at ATPL in Chennai for one of the largest independent share registries in the United States. ATPL intends to focus on the administration of Employee Staff Purchase Plans for large corporations.

### **ATPL's Facility**

ATPL's Software Development Centre at Chennai is registered with the Software Technology Park of India. This registration means that until March 2010, ATPL, as a software exporter, is exempt from income tax. ATPL currently employs a total of approximately 60 staff. The office has completely networked workstations and fully equipped conference rooms with a state-of the-art video conferencing facility. It also features multiple servers with high speed datacom circuits and switched operations. The networked stations are connected online to servers, which are complemented with the latest development tools, database management systems and code management facilities. Secure, dedicated 24/7 Internet connectivity is available along with VOIP on-demand phone connectivity in addition to public switched telephone lines.

### **Management and Key Employees**

The senior management and key employees of ATPL are:

	<b>Experience</b>	<b>Role in Organisation</b>
Abi Philip	18 years	CIO
M J. Balachandran	14 years	Senior Program Manager
Sivakumar Natarajan	10 years	Head of Finance
Sridhar Palani Neelakandan	4.5 years	Human Resources Manager
Shanmuganathan Murugan	2.5 years	Senior Actuarial Analyst

### **3.3 KeyTech**

#### **Overview**

What began as RJS Contract Staffing, founded in 1987, to satisfy the many temporary staffing needs of clients in the Greater Hartford area, has now become KeyTech, one of the premier staffing providers in Connecticut. RJS Contract Staffing specialised in contract and direct hire placement of personnel in the fields of engineering, healthcare and information technology.

In May 2001 the company's name was changed to KeyTech. With over two decades of staffing experience in several targeted industries, KeyTech enhanced its capabilities by joining forces with InfoTec and IT Partners. InfoTec is a direct placement IS/IT firm, and was founded in 1999 by Ron Divinere while IT Partners is a

consulting IS/IT firm, founded in 1999 by Steve and Dan Massucci. Not only did these two businesses allow for expanded service, but with Dan as Chief Financial Officer came the benefits of an in-house CPA.

With this merger and strategic alliance partnership, KeyTech significantly increased its value to clients, by procuring and placing professionals in several fields, including accounting/finance, engineering/manufacturing, information systems/information technology, software development/engineering and human resources and greatly expanded its resources and client base. KeyTech also provides technical integration services, assisting clients with the ERP and EAI needs of their customers.

KeyTech operates as a division of ATI, delivering its solutions to the insurance, financial services and healthcare sectors.

KeyTech provides the following services:

- Contract Staffing

KeyTech can deliver contract staffing in the areas of accounting, engineering, finance and information technology, pharmaceutical and bio-technology. KeyTech delivers technical expertise for a particular need or assignment. When additional personnel are required to complete a project, KeyTech's contract staffing solutions can augment the client's existing staff. KeyTech can also bring people in on a temporary basis to provide a knowledge transfer to the company's existing staff where technology skills are needed.

- Contract-to-Hire

KeyTech's offering gives clients the ability to see how individuals perform or how they fit into their work environment before committing to making a hiring decision. Clients benefit from the flexibility of not having to commit immediately or at all to engaging one or more particular employees and are able to enjoy the services of relevant persons as contractors.

- Direct Hires

These are services to find candidates to fill full-time positions within a client's business.

- Offshore Talent

In recent years, offshore outsourcing has proved to be a popular and reliable choice of CIOs, IT directors and CFOs to manage IT expenditure. Consequently, to provide customers cost reduction opportunities, KeyTech has added offshore outsourcing to its range of services.

- Consulting Services

KeyTech provides consulting services in relation to human resources within a client's firm. KeyTech also offers experienced IT consultants who are familiar with the client's legacy systems as well as the latest applications and e-commerce tools across a variety of industries. With a focus on internet and data warehouse applications, KeyTech's consultants can solve most complex IT development, conversion and migration challenges. With both remote and onsite delivery options, KeyTech's consultants can either augment a client's current Information Systems or Information Technology team or manage the entire project to completion.

## Management

The senior management of KeyTech are:

	<b>Experience</b>	<b>Role in Organisation</b>
Ronald V. Divinere	26 Years	President, Consulting Sales and Marketing
Steve Massucci	17 Years	Chief Operating Officer

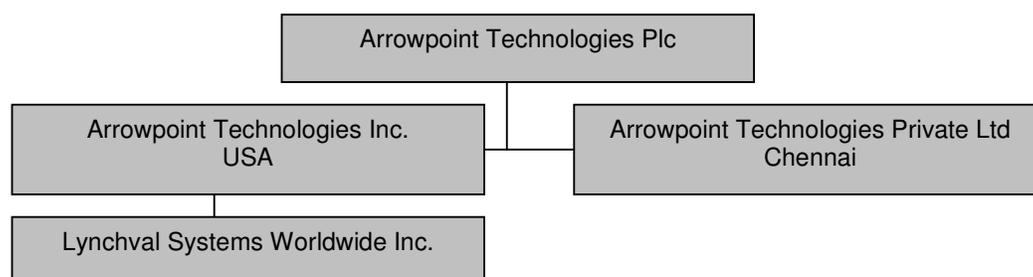
## 4 The Group's Customers

Arrowpoint Technologies' ten largest clients in the nine month period ended 31 December 2008 were as follows:

Customer	Percentage of Total Revenue
CIGNA	18.89
Mass Mutual	14.30
Pension Benefit Guarantee Corporation	11.45
Principal Financial Group	9.74
ING	1.92
DRS – PLT	3.17
AST	3.01
Schwab Retirement Plan	1.03
Phoenix Life Insurance	1.71
Coty Inc	1.92

The top ten customers accounted for approximately 67% of the Group's total sales in that period.

## 5 Group Structure



Arrowpoint Technologies is the parent company of the Group and is incorporated in the Isle of Man. It is the holding company of ATI, ATPL and Lynchval. The Company was incorporated on 13 July 2007 under the Isle of Man Companies Act 2006.

## 6 Financial Information

The following summary is derived from the consolidated results of the Company and its subsidiaries prepared on the basis that the Company, ATPL and ATI had been in existence throughout the three years ended 31 March 2008 and the nine-month period ended 31 December 2008.

Period ended (In US\$ million)	Pro forma 31 March 2006	Pro forma 31 March 2007	Pro forma 31 March 2008	31 December 2008
No of Months	12	12	12	9
Turnover	0.46	1.54	9.03	11.87
EBIDTA	0.06	-0.11	0.97	1.13
EBIDTA/Turnover (%)	13.0%	-7.1%	10.7%	9.5%
Profit after Tax	0.06	-0.13	0.10	0.07

Arrowpoint Technologies began trading on 13 July 2007 and the Company's accounting reference date is 31 March.

Since 31 December 2008, the Company has continued to trade in line with the Directors' expectations and they remain confident about the Company's prospects for the future.

As at 31 December 2008, the Company had a bank loan of \$1,800,000 payable to Export-Import Bank of India ("Exim Bank"). The bank loan bears interest at 8.0% above US Dollar LIBOR (6 months).

As at 31 December 2008, ATI had a bank loan of \$5,000,000 payable to Exim Bank. The bank loan bears interest at 3.5% above US Dollar LIBOR (6 months).

As at 31 December 2008, the Group had loans of \$3,071,000 payable to its ultimate parent company, Turnkey, of which a facility of US\$2,574,142 has been made available to the Company and has been fully drawn down. The loan is interest free, unsecured and without a fixed repayment term. Turnkey has stated that it will not seek repayment of the loan before 31 December 2010. Subject to certain conditions, this loan is convertible, at Turnkey's option, into Ordinary Shares at a rate of 8p per share.

Details of the bank loans, the security granted in respect of them and the ultimate parent company loan can be found in Part III (a) and Part III (c) of this Document and in paragraph 8 of Part V.

On 24 April 2009, the Company issued 971,429 new Ordinary Shares at 35p per share, raising £340,000 (or \$495,720 at an exchange rate of \$1.458 to £1).

**The Company's reporting currency is US dollars and potential investors should note that the Company's performance may be impacted as a result of currency fluctuations. Potential investors should also be aware that the figures in this document refer to past performance, which is not a reliable indicator of future results.**

Additional financial information on the Group is set out in Parts III and IV of this Document.

## **7 Future Growth and Strategy**

The Group has already carved a niche for itself as a leading software solution provider to the pension industry in the USA. Apart from its software solutions, the Group also provides services such as integration consulting and cost-effective offshore development to its clientele. In order to augment its leadership position, the Group intends to further strengthen its offerings in these areas.

Arrowpoint Technologies has identified the following areas of future development:

- additional DB products and services and further opportunities in hybrid plans;
- the need to develop and to strengthen solutions in DB and OPEB;
- the need to augment offshore infrastructure; and
- the need to develop consulting expertise in the insurance and pension industry.

In order to develop expertise in the above mentioned areas, the Group plans to invest in these areas through organic expansion. In the next 18 months the Group plans to dramatically increase its areas of expertise and depth in the fields of pension products (especially Defined Contribution, Employee Stock Option Management and record keeping), integration and consulting based in the USA. It also plans to augment its offshore delivery infrastructure based in India in order to enable a large scale product development capability. As stated in section 3.1 above, the Directors are particularly optimistic about the Group's prospects in the OPEB sector following the proposed roll out of the Unique Solution® by Lynchval.

## **8 Directors**

### **Nirmal Kedia – Non-Executive Chairman**

Nirmal was born in Mumbai, India, and started his career in 1987 at Nitin Castings Limited and has become an experienced and proven businessman. He is a director of Kirti Investments Ltd, Prescon Builders Pvt Ltd and Turnkey. He is a professionally qualified graduate in commerce from Mumbai University.

### **Santanu Nandy - Group Managing Director**

Mr. Nandy was born in Cuttack, India, and was educated at the University of Mysore earning his bachelor degree in Electronics and Communication Engineering (first class) in 1990. Mr. Nandy has approximately 19 years' experience in managing large global scale businesses. As a director of Novasoft Information Technology (Europe), he led one of the largest ERP/SAP operations in the United Kingdom. As vice president of Reliance Infocomm ("Reliance"), a Fortune 500 group company, he helped build one of the largest greenfield telecom projects. Prior to his time at Reliance, he was with Global Telesystems as a vice president.

### **Peter D'Amato - Financial Controller**

Mr. D'Amato's responsibilities encompass the financial management and operational oversight of the Group. With over 30 years of experience in the information technology as well as electronic and general publishing industries, he brings to the Group hands on experience in financial management, business devolvement and strategic planning.

Mr D'Amato has a background in consumer products and has worked for a number of international companies including Reuters, RJR Nabisco and PriceWaterhouseCoopers. He has a degree in accounting from St. Francis

College and an MBA from Fairleigh Dickinson University. He is a CPA in the State of New York and is a member of the American Institute of Certified Public Accounts.

#### **Graham Cole FCA, FSI - Non-Executive Director**

Graham is a chartered accountant, formerly a partner in Deloitte, Haskins & Sells. He was a founder partner of that firm's corporate finance division and the firm's European flotation partner. He continued this role following that firm's merger with Coopers & Lybrand. He joined Beeson Gregory Limited (now Evolution Securities Limited) in 1995 as a director where he advised domestic and international companies, both public and private, on their strategies for growth and capital raising. Graham is a co-founder and past executive member of the Quoted Companies Alliance. He is chairman of Stagecoach Theatre Arts plc, a non-executive director of Ashton Penney Plc and a non-executive director of Vantis Plc. Graham is a member of the audit, nomination and remuneration committees.

## **9 Group Premises**

The Group presently operates from the following locations:

- Chennai: 9,178 sq ft of leased premises. This independent building covers four floors with self sufficient power back up and internet infrastructure. The lease is renewable every 11 months.
- Washington: 14,281 sq ft. of leased premises which lease commenced on 1 December 2005 for a period of 10 years.
- Hartford: 4,826 sq ft leased premises which commenced on 1 May 2008 and expires on 30 June 2013, renewable annually.
- Dallas: 2,820 sq. ft leased premises which commenced on 1 May 2008 and expires on 30 April 2011.

## **10 Competition**

**Lynchval Systems Worldwide Inc:** being a specialist provider in the pension and benefits industry, Lynchval has competition from other specialised retirement industry solutions providers such as SunGard Corbel, PDS Software, Levi, Ray & Shoup Inc. and Koger Inc.

**Arrowpoint Technologies Private Limited:** the offshore development office based in Chennai faces competition mainly from other offshore companies operating in the finance sector such as Hexaware Softeon and Amtex Infotech.

**KeyTech LLC:** Hartford is a city recognised as a financial centre specialising in insurance products. The location of these insurance companies has lured many competitors to service the requirements of these businesses. In this market, there are many staffing companies; some are large national firms, some regional and some local firms. Some of the competitive companies are staff augmentation firms, some are direct-hire agencies and some are project based firms which offer similar services to KeyTech.

## **11 Reasons for Admission**

The Directors believe that the principal benefits to the Group of Admission will be the ability to heighten the Company's profile whilst also increasing the potential to broaden the Company's investor base.

The Directors believe the other benefits of Admission include:

- the ability to enter into negotiations with potential vendors of businesses or companies, to whom the issue of publicly traded shares as consideration is potentially attractive;
- the increased potential to raise further funds in the future, to finance acquisitions and/or to provide additional working capital or development capital for the Company; and
- the increased potential to attract high quality directors and employees by offering share options. The Directors believe that the ability to grant options over PLUS traded shares is potentially more attractive to directors and employees than the grant of options over unquoted shares.

## 12 The IPO

The Company is seeking to raise gross proceeds of up to £120,250 in the IPO by offering up to 925,000 New Ordinary Shares at 13p per New Ordinary Share, payable in full on application.

The proceeds of the IPO will be applied towards costs associated with Admission. If all the New Ordinary Shares offered under the Offer are allotted, they will represent 0.46 per cent of the Enlarged Ordinary Share Capital of the Company immediately following Admission.

Under the Offer, and conditional on the Minimum Amount and Admission, subscribers are being sought by the Company (advised by St Helen's Capital) for the New Ordinary Shares available under the Offer. All New Ordinary Shares to be issued under the Offer will be issued pursuant to the Offer at the Offer Price. The Offer is not being underwritten.

Each application must be for a minimum of 6,500 New Ordinary Shares per Applicant and thereafter in multiples of 6,500 New Ordinary Shares. Only one application can be made by an Applicant (or for his/her benefit).

The New Ordinary Shares will, when allotted, be fully paid and rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends and distributions. They will be issued free from all liens, charges and encumbrances.

The Board reserves the right to reject in whole or in part, or to scale down or limit any application as they shall, in their absolute discretion, think fit. If rejected in whole or in part, cheques for the appropriate amount will be returned to Applicants, without interest, at their own risk, within 14 days of the Closing Date.

The Directors have made an application for the Company's Enlarged Ordinary Share Capital to be traded on the PLUS-quoted Market. The Offer is conditional upon Admission taking place and the Minimum Amount being achieved on or before 25 August 2009 or such later date as the Company may determine. If these conditions are not satisfied by that date, funds will be returned to investors without interest by sending a cheque to the investor's address at the sole risk of the investor as soon as practicable and in any event not later than 14 business days after it is known that the conditions are not capable of being satisfied.

Subject to the Minimum Amount being raised under the Offer and the application for Admission being accepted, trading in the Enlarged Share Capital on the PLUS-quoted Market is expected to commence on 25 August 2009.

The full procedure for application, and the terms and conditions of the Offer are set out in Parts VI and VII respectively of this Document. All applications for New Ordinary Shares must be made on the Application Form set out in Part VIII of this Document.

Potential investors must inform themselves as to: (a) legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein

This Document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any New Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it may be unlawful to make such offer or invitation.

The Company reserves the right to reject any offer to subscribe for New Ordinary Shares in whole or in part at its sole discretion for any reason. It also specifically reserves the right to determine or alter the timing of the allotment of such New Ordinary Shares subject to the provisions of the Companies Act and/or the aggregate amount to be raised as set out in this Document or otherwise.

No other person is or has been authorised in connection with the Offer to give any information or make any representation other than as contained in this Document and if given or made such information or representation may not be relied upon as having been authorised by the Company.

## 13 Dealing Restrictions

As at the date of this Document, the Directors are, in aggregate, interested (and will be at Admission) in 161,737,011 Ordinary Shares, representing approximately 81.10 per cent of the Issued Share Capital and 80.73 of the Enlarged Ordinary Share Capital.

Neither Mr. Cole nor Mr. D'Amato has any interest in Ordinary Shares. nor is it intended that they will have any such interest at Admission.

Conditional on Admission and save as set out or referred to below, each of Mr. Kedia and Mr Nandy has agreed with the Company and St Helen's Capital not to dispose of any interest in such Ordinary Shares held by them for a period of 12 months following Admission.

The provisions of the lock-in arrangements will not apply in certain limited circumstances which include, among other things:

- the acceptance of a general offer for the whole or part of the issued equity share capital where such disposal or agreement to dispose is either conditional upon the announcement of such offer or is by way of acceptance of such offer or the giving of an irrevocable undertaking to accept such an offer; or
- pursuant to a compromise or arrangement between the Company and its creditors; or
- for the purpose only of effecting the appointment of a trustee or new trustee of a family settlement for the benefit of members of the immediate family of a locked-in shareholder; or
- by the personal representatives of a locked-in shareholder if he should die; or
- pursuant to a court order; or
- where St Helen's Capital and the Company consent to a transfer or sale.

#### **14 Dividend Policy**

The Directors intend the Company to commence the payment of dividends when it becomes commercially prudent in their opinion to do so.

Pursuant to the Companies Act, dividends may only be declared and paid if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after payment of the dividend, satisfy the Solvency Test.

#### **15 Share Option Scheme**

In order to incentivise the management and key employees of the Company the Directors intend to adopt a share option scheme at an appropriate time following Admission.

#### **16 Corporate Governance**

The Directors acknowledge the importance of sound corporate governance whilst taking into account the size and nature of the Company. The Directors will continue to apply the principles of the Combined Code so far as is practicable taking into account the Company's size and stage of development. The Combined Code is promulgated by the Financial Reporting Council.

The Company has adopted and operates a share dealing code for Directors as required by the PLUS Rules.

#### **17 CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with CREST Regulations. The Directors have applied for, and EUROCLEAR UK has agreed to, the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, should shareholders so wish. CREST is a voluntary system and shareholders who wish to receive and retain share certificates will be able to do so. All the Ordinary Shares will be in registered form and no temporary documents of title will be issued.

## **18 Risk Factors**

Your attention is drawn to the Risk Factors set out in Part II of this Document.

## **19 Taxation**

The Ordinary Shares do not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor as a “qualifying holding” for the purposes of investment by Venture Capital Trusts.

Further information regarding taxation in relation to the Ordinary Shares is set out in paragraph 11 of Part V of this Document. These details are, however, intended only as a general guide to the current tax position under UK and Isle of Man taxation law. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately. **YOUR TAX TREATMENT WILL DEPEND ON YOUR INDIVIDUAL CIRCUMSTANCES AND IS SUBJECT TO CHANGE.**

## **20 Substantial Shareholder and City Code on Takeovers and Mergers**

On Admission, Turnkey will be interested in 143,750,373 Ordinary Shares (which figure does not include the conversion rights under the loan referred to below), representing approximately 71.75 per cent of the Enlarged Ordinary Share Capital. Turnkey will also have the option, subject to certain conditions, to convert its loan to the Company (referred to in paragraph 6 of this Part I) into Ordinary Shares. Full conversion of the loan would involve the issue to Turnkey of approximately 23,750,000 additional Ordinary Shares, as a result of which Turnkey would be interested in approximately 83.61% of the Enlarged Ordinary Share Capital.

Turnkey is able to exercise control and significant influence over the Company. The Company is not subject to the provisions of the City Code as the City Code only applies to companies which have their registered offices in the Isle of Man if they are considered by the UK Panel on Takeovers and Mergers to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. As the Company is incorporated in the Isle of Man, it is subject to Isle of Man law. That law does not contain any provisions similar to those applicable in the United Kingdom which are designed to regulate the way in which takeovers of companies are conducted. Potentially therefore an offeror in respect of the Company may gain control of the Company in circumstances where remaining, non-selling shareholders do not receive and indeed are not given the opportunity to receive, the benefit of any control premium which is paid or agreed to be paid to selling shareholders. The Articles do contain certain takeover protections, although these do not provide the full protections afforded by the provisions of the City Code. The relevant provisions of the Articles are summarised in paragraph 4.2.18 of Part V of this Document.

## **21 Additional Information**

Your attention is drawn to the additional information set out in Parts II to VIII of this Document.

## PART II

### RISK FACTORS

The attention of potential shareholders is drawn to the fact that ownership of shares in the Company involves a variety of risks. Shareholders should be aware of the risks associated with an investment in a business in the relatively early stages of its development. All potential shareholders should carefully consider the entire contents of this Document including, but not limited to, the factors described below before deciding whether or not to invest in the Company.

The information below does not purport to be an exhaustive list or summary of the risks affecting the Company and is not set out in any particular order of priority. Shareholders should carefully consider these risks before making a decision to invest in the Company.

If any of the events described in the following risks actually occur, the Company's business, financial condition, results or future operations could be adversely affected. In such a case, the price of the Company's Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company.

- (i) the Company's future success will depend, among other things, on its Directors and senior management team and their continuing contributions. The recruitment of suitable skilled employees and retention of their services or the services of any future management team cannot be guaranteed;
- (ii) the Directors consider that the Group and its members have taken appropriate measures to protect its interests in its intellectual property, but there can be no assurance that those measures will prove to be sufficient adequately or fully to protect those interests if a challenge to the same were to be forthcoming from a third party. If a successful challenge were established to some or all of the Group's intellectual property then this would be disruptive to the operations of the Group and may result in a material adverse financial effect on the Group;
- (iii) the Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application has been made for the Ordinary Shares to be admitted to trading through the PLUS-quoted Market this should not be taken as implying that there will be a 'liquid' market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment;
- (iv) the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations;
- (v) there is no certainty that the Company will generate sufficient after tax profits to be able lawfully to pay a dividend;
- (vi) continued membership of PLUS is entirely at the discretion of PLUS Markets;
- (vii) PLUS is not AIM or the Official List. Consequently, it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid;
- (viii) the share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuations and the Ordinary Shares may be difficult to sell;
- (ix) it is possible that the Company will need to raise further funds in the future, either to complete a proposed acquisition or to raise further working or development capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that investors will be prepared to subscribe for Ordinary Shares. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company;
- (x) the Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated;
- (xi) the Company is incorporated in the Isle of Man and is subject to taxation on its income at a rate of zero per cent in this jurisdiction. The Directors intend that the Company maintain this status. Should any tax authority challenge this status, the Directors intend to defend the Company's tax position. However, should that status be challenged successfully at any time, the Company's profits and/or capital gains may be subject to taxation at a higher rate than is payable under its current status;

- (xii) the Group has loans totalling \$6.8 million from EXIM Bank and the success of the Company will depend on its ability to properly service its obligations under these facilities (as described in paragraphs 8.7 and 8.12 of Part V of this Document);
- (xiii) as referred to in Part I of this Document in relation to Lynchval, that company is negotiating with Lawrence Bell to have certain interests in intellectual property transferred to it. There can be no assurance that an agreement will be reached between the parties in relation to the arrangement. If the relevant intellectual property is not transferred to Lynchval then it is possible that Lynchval's business may not be able to be conducted as is currently the case and as is envisaged and this may have a material adverse effect on its financial position. If an agreement is reached then it may involve financial or other consideration having to be paid by Lynchval to Mr Bell, the quantum of which may be material;
- (xiv) as a result of the current uncertainty in the worldwide economic climate, capital markets, economies and investment strategies are subject to considerable uncertainties. The risks which face the worldwide pensions industry may include circumstances and certain risks which are not foreseeable and which are without precedent. The markets in which the Group operates, and the markets in which the Group's clients operate, are or may be affected by national and worldwide factors that are beyond the control of the Group and/or its clients. The uncertainty in and any worsening of economic and/or market conditions in the countries and/or the sector in which the Group operates might result in a decrease in the demand for some or all of the Group's services which in turn may have a material adverse effect on the business, financial condition and/or prospects of the Group;
- (xv) the success of the Group depends in part upon its continuing ability to attract and to retain employees with suitable skills and experience, particularly, although not exclusively, in the area of product development and sales. There can be no assurance that the Group will be able to recruit sufficient or suitable staff or that the individuals whom it may wish to recruit will be able to be attracted and/or retained. If the Group were to be unable to recruit and retain staff of appropriate quality then this may have a material adverse affect on the Group's ability to conduct its business and to proceed in line with its expectations;
- (xvi) the Group may fail to obtain new business in relation to its services at desired profitable rates and there can be no assurance that business will be available to the Group on terms or at prices which are attractive to the Group, nor can there be any assurance that, to the extent that such terms or pricing exist at the date of this Document, they will continue on such terms as contracts fall to be renewed and/or renegotiated. The Group may be sensitive to adverse market perception of its operations and services as it operates in a market sector where confidence, integrity and trust are key. Any negative publicity about the Group's operations and/or services may result in the Group losing business and/or clients, which may have a material adverse affect on the Group's financial performance;
- (xvii) the complexity of the products and services which the Group offers means that certain aspects of the Group's business may involve relatively substantial risks of liability. Any litigation which may be brought against the Group may have a material adverse affect on the financial performance and/or business of the Group. The Group's insurance may not cover all or any of any claims which clients or other third parties may bring against the Group or may not be sufficient to protect the Group against liability which may be imposed on it; and
- (xviii) the Group is reliant to an extent on third parties for the provision of important services which in turn it needs to run its own business, including finance systems and processes and IT infrastructure, including software. If any of these service providers should fail to perform to the necessary standard then this may have a material impact on the business of the Group and its systems and its ability to discharge its obligations to clients, any of which may have a material adverse affect on the financial performance and/or business of the Group. The negotiation of potential acquisitions and the integration of an acquired business or company and/or additional new personnel may result in a substantial diversion of the Group's management resources. Acquisitions may involve additional risks on the Group, for example a decrease in the business of the acquired business. Accordingly, the Group's ability to manage its growth through acquisitions or through strategic investments will depend, partially, on its success in being able successfully to address and to manage such risks. If the Group should fail successfully to implement its acquisition strategy then this may have a material adverse affect on the business and/or financial condition of the Group.

**An investment in Ordinary Shares, pursuant to the Offer or otherwise, may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an adviser authorised under FSMA who specialises in investments of this nature before making their decision to invest.**

**PART III**  
**FINANCIAL INFORMATION ON THE GROUP**

**(a) Accountants' Report on the Group**

The Directors  
Arrowpoint Technologies Plc  
33-37 Athol Street  
Douglas  
Isle of Man IM1 1LB



The Directors  
St Helen's Capital Plc  
15 St Helen's Place  
London EC3A 6DE

6 August 2009

Dear Sirs

**Introduction**

We report on the consolidated Pro forma financial information of Arrowpoint Technologies Plc (the "Company"), its subsidiaries Arrowpoint Technologies Inc, Lynchval Systems Worldwide Inc and Arrowpoint Technologies Pvt Ltd (together the "Group"), which has been prepared for inclusion in the PLUS Admission Document (the "Document") dated 6 August 2009, on the basis of the accounting policies set out in note 2 to the financial information. This report is given for the purpose of the PLUS Admission and for no other purpose.

**Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with applicable UK Generally Accepted Accounting Practice.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

**Basis of Opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

**Opinion**

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Group as at the dates stated and of the results and cash flows for the periods then ended in accordance with the basis of preparation set out in note 2 below and in accordance with applicable UK Generally Accepted Accounting Practice.

**Declaration**

We declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

**Mazars LLP**

## PROFIT AND LOSS ACCOUNTS

The consolidated profit and loss accounts of the Group for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008 are set out below:

		<b>Pro forma Year ended 31 March 2006 \$'000</b>	<b>Pro forma Year ended 31 March 2007 \$'000</b>	<b>Pro forma Year ended 31 March 2008 \$'000</b>	<b>9 months ended 31 December 2008 \$'000</b>
Turnover		456	1,537	9,028	11,865
Administrative expenses		(399)	(1,661)	(8,594)	(11,462)
Other operating income		-	-	2	31
Profit/(loss) on ordinary activities before interest and tax		57	(124)	436	434
Interest receivable and similar income		1	-	17	-
Interest payable and similar charges		-	(1)	(303)	(326)
Profit/(loss) on ordinary activities before tax	3	58	(125)	150	108
Tax on profit/(loss) on ordinary activities	4	(2)	(2)	(54)	(43)
Profit/(loss) for the financial period	12	56	(127)	96	65

All operations are continuing operations.

## STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES

The consolidated statements of total recognised gains and losses of the Group for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008 are set out below:

	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	
	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>9 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) for the financial period	56	(127)	96	65
Foreign exchange difference on brought forward reserves	-	(9)	(21)	(28)
Total recognised gains and losses relating to the period	56	(136)	75	37

## BALANCE SHEETS

The consolidated balance sheets of the Group as at 31 March 2006, 31 March 2007, 31 March 2008 and 31 December 2008 are set out below:

		Pro forma	Pro forma		
		31 March	31 March	31 March	31 December
		2006	2007	2008	2008
	Notes	\$'000	\$'000	\$'000	\$'000
Fixed assets					
Intangible assets	5	75	67	16,971	17,970
Tangible assets	6	14	95	213	279
		89	162	17,184	18,249
Current assets					
Stock	7	-	192	79	-
Debtors	8	204	507	2,467	2,472
Cash at bank and in hand		139	49	776	833
		343	748	3,322	3,305
Creditors: amounts falling due within one year	9	(94)	(256)	(5,034)	(6,874)
Net current assets/(liabilities)		249	492	(1,712)	(3,569)
Total assets less current liabilities		338	654	15,472	14,680
Creditors: amounts falling due after more than one year	10	(180)	(632)	(15,180)	(12,717)
Net assets		158	22	292	1,963
Capital and reserves					
Called up share capital	11	-	-	473	473
Shares to be issued	11	-	-	-	1,634
Merger reserve	12	3	3	(275)	(275)
Profit and loss reserve	12	155	19	94	131
Total shareholders' funds - equity		158	22	292	1,963

## CASH FLOW STATEMENTS

The consolidated cash flow statements of the Group for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008 are set out below:

		Pro forma Year ended 31 March 2006 \$'000	Pro forma Year ended 31 March 2007 \$'000	Pro forma Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
	Notes				
<b>Operating profit/(loss) before working capital changes</b>		57	(124)	436	434
Amortisation charges		-	8	519	669
Depreciation charges		2	9	10	24
Foreign exchange movements		-	(9)	(21)	(28)
(Increase)/decrease in stock		-	(192)	113	79
(Increase)/decrease in debtors		(145)	(303)	(846)	10
Increase in creditors		68	161	502	148
<b>Net cash (used in)/from operating activities</b>		(18)	(450)	713	1,336
<b>Returns on investments and servicing of finance</b>					
Interest received		1	-	17	-
Interest paid		-	(1)	(303)	(326)
		1	(1)	(286)	(326)
<b>Taxation</b>		(3)	(1)	56	(31)
<b>Capital expenditure and financial investment</b>					
Capitalised expenditure on software development		-	-	(843)	(1,166)
Purchase of intangible software applications		(75)	-	(374)	(97)
Purchase of tangible fixed assets		(2)	(90)	(21)	(90)
Sale of tangible fixed assets		-	-	31	-
		(77)	(90)	(1,207)	(1,353)
<b>Acquisitions and disposals</b>					
Purchase of trade and assets	13	-	-	(4,378)	(725)
Purchase of subsidiaries	13	-	-	(3,453)	(180)
Net cash acquired with subsidiaries	13	-	-	280	-
		-	-	(7,551)	(905)
<b>Financing</b>					
Loans from ultimate parent company		180	452	2,748	1,325
Bank loans		-	-	5,800	-
Share capital issued		-	-	195	-
		180	452	8,743	1,325
<b>Net increase/(decrease) in cash and cash equivalents</b>	13	82	(90)	468	46
At the beginning of the period		57	139	49	517
<b>At the end of the period</b>		139	49	517	563

## NOTES TO THE FINANCIAL INFORMATION

### 1. General information

The Company was incorporated as a Private Limited Company in the Isle of Man, under the Companies Act 2006 on 13 July 2007. The principal activity of the Company is that of a holding company. The Company's subsidiaries, Arrowpoint Technologies Inc, Lynchval Systems Worldwide Inc and Arrowpoint Technologies Pvt Ltd, are engaged in the provision of retirement and financial services solutions to the banking and financial services industry.

### 2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the consolidated financial information of the Group.

#### (a) Basis of presentation

The financial information has been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice. The principal accounting policies adopted are set out below.

#### (b) Basis of consolidation

The financial information consolidates the accounts of the Company and its wholly owned subsidiary, Lynchval Systems Worldwide Inc, together with the results from the trade and assets of KeyTech LLC since their acquisitions on 25 June 2007 and 22 June 2007 respectively.

On 13 July 2007, a capital reorganisation was undertaken whereby the Company was incorporated as a new parent company for both Arrowpoint Technologies Pvt Ltd and Arrowpoint Technologies Inc. This reorganisation has been accounted for using merger accounting principles in accordance with Financial Reporting Standard 6. Therefore, the financial information in respect of each of the three years ended 31 March 2008 has been provided on a Pro forma basis as if the Company, Arrowpoint Technologies Pvt Ltd and Arrowpoint Technologies Inc had been in existence throughout these three years.

#### (c) Reporting currency

The financial information is presented in United States Dollars and rounded to the nearest thousand except when otherwise indicated.

#### (d) Turnover

Turnover represents amounts invoiced, excluding sales tax, in respect of the sale of goods and services to customers.

#### (e) Stock

Stock is valued at the lower of cost and net realisable value.

#### (f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

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

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

#### (g) Goodwill

Goodwill represents the excess of cost of acquisition over fair value of the separable net assets of businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life of 20 years.

#### (h) Intangible assets – purchased software

Intangible assets comprise purchased software applications which are recorded at cost.

Purchased software is amortised through the profit and loss account in equal instalments over a period of between one and three years, being the estimated useful lives of the purchased software applications.

## NOTES TO THE FINANCIAL INFORMATION

**(i) Intangible assets – software development**

Research expenditure on new software applications is written off as incurred. Software development expenditure is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the Group is expected to benefit, this period being 10 years. Provision is made for any impairment.

**(j) Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or revalued amount, less estimated residual value, over their expected useful lives, as follows:

Leasehold buildings	39 years straight line
Computer equipment	5 years straight line
Furniture and fittings	Between 5 and 7 years straight line
Motor vehicles	5 years straight line

**(k) Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

**(l) Foreign currencies**

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into US Dollars at rates of exchange ruling on the date on which transactions occur, except for:

- monetary assets and liabilities which are translated at the rate ruling at the balance sheet date; and
- transactions to be settled at a contract rate and trading transactions covered by a related or matching forward contract which are settled at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

**3. Profit/(loss) on ordinary activities before tax**

	<b>Pro forma Year ended 31 March 2006 \$'000</b>	<b>Pro forma Year ended 31 March 2007 \$'000</b>	<b>Pro forma Year ended 31 March 2008 \$'000</b>	<b>9 months ended 31 December 2008 \$'000</b>
Profit/(loss) on ordinary activities before tax is stated after charging/(crediting):				
Wages and salaries	136	1,014	7,113	10,096
Amortisation of intangible fixed assets	-	8	519	669
Depreciation of tangible fixed assets	2	9	10	24
Operating leases – land and buildings	14	53	104	121
Operating leases – other	1	5	5	3
Foreign exchange loss/(profit)	-	4	59	(6)
Software development costs capitalised	-	-	(843)	(1,166)

## NOTES TO THE FINANCIAL INFORMATION

### 4. Taxation on the profit/(loss) on ordinary activities

	Pro forma Year ended 31 March 2006 \$'000	Pro forma Year ended 31 March 2007 \$'000	Pro forma Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
<b>Analysis of charge for the period</b>				
Current tax - foreign	(2)	(2)	(54)	(43)

	Pro forma Year ended 31 March 2006 \$'000	Pro forma Year ended 31 March 2007 \$'000	Pro forma Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
<b>Factors affecting tax charge for the period</b>				
Profit/(loss) on ordinary activities before tax	58	(125)	150	108
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax of 35% (all periods)	20	(44)	53	38
Effects of:				
Adjustment in respect of tax rates	-	-	8	(45)
Tax exemptions on foreign trading activities	(37)	(48)	(9)	-
State tax overpayment	-	-	42	-
Expenses not deductible for tax	2	2	166	223
Tax losses utilised	-	-	(439)	(426)
Tax losses carried forward	17	92	233	253
Current tax charge for the period	2	2	54	43

## NOTES TO THE FINANCIAL INFORMATION

### 5. Intangible assets

	Goodwill \$'000	Purchased software \$'000	Software development \$'000	Total \$'000
<b>Cost</b>				
B/fwd at 1 April 2005	-	-	-	-
Additions	-	75	-	75
C/fwd at 31 March 2006	-	75	-	75
Additions	-	-	-	-
C/fwd at 31 March 2007	-	75	-	75
Additions by way of acquisitions of subsidiaries	-	8	-	8
Additions	16,198	374	843	17,415
C/fwd at 31 March 2008	16,198	457	843	17,498
Additions	405	97	1,166	1,668
C/fwd at 31 December 2008	16,603	554	2,009	19,166
<b>Amortisation</b>				
B/fwd at 1 April 2005	-	-	-	-
Charge for the year	-	-	-	-
C/fwd at 31 March 2006	-	-	-	-
Charge for the year	-	(8)	-	(8)
C/fwd at 31 March 2007	-	(8)	-	(8)
Charge for the year	(473)	(46)	-	(519)
C/fwd at 31 March 2008	(473)	(54)	-	(527)
Charge for the period	(623)	(46)	-	(669)
C/fwd at 31 December 2008	(1,096)	(100)	-	(1,196)
<b>Net book value</b>				
As at 31 December 2008	15,507	454	2,009	17,970
As at 31 March 2008	15,725	403	843	16,971
As at 31 March 2007	-	67	-	67
As at 31 March 2006	-	75	-	75

Software development additions represent salary costs associated with the development of new software applications to be utilised by the Group in its trade in subsequent years. Development commenced on the software in April 2007 and remained ongoing as at 31 December 2008. The Directors expect to complete the development process in June 2009.

Upon completion of the software development and its subsequent utilisation by the Group, the software development costs will be amortised over the period during which the Group is expected to benefit, this period being 10 years.

## NOTES TO THE FINANCIAL INFORMATION

### 6. Tangible assets

	Buildings improvements \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
B/fwd at 1 April 2005	-	14	-	1	-	15
Additions	-	1	-	1	-	2
C/fwd at 31 March 2006	-	15	-	2	-	17
Additions	-	32	35	23	-	90
C/fwd at 31 March 2007	-	47	35	25	-	107
Acquisition of subsidiary undertakings	75	16	13	3	31	138
Additions	-	2	19	-	-	21
Disposals	-	-	-	-	(31)	(31)
C/fwd at 31 March 2008	75	65	67	28	-	235
Additions	-	68	7	15	-	90
C/fwd at 31 December 2008	75	133	74	43	-	325
<b>Depreciation</b>						
B/fwd at 1 April 2005	-	(1)	-	-	-	(1)
Charge for the year	-	(2)	-	-	-	(2)
C/fwd at 31 March 2006	-	(3)	-	-	-	(3)
Charge for the year	-	(7)	(1)	(1)	-	(9)
C/fwd at 31 March 2007	-	(10)	(1)	(1)	-	(12)
Charge for the year	(1)	-	(9)	-	-	(10)
C/fwd at 31 March 2008	(1)	(10)	(10)	(1)	-	(22)
Charge for the period	(1)	(13)	(9)	(1)	-	(24)
C/fwd at 31 December 2008	(2)	(23)	(19)	(2)	-	(46)
<b>Net book value</b>						
As at 31 December 2008	73	110	55	41	-	279
As at 31 March 2008	74	55	57	27	-	213
As at 31 March 2007	-	37	34	24	-	95
As at 31 March 2006	-	12	-	2	-	14

## NOTES TO THE FINANCIAL INFORMATION

### 7. Stock

	<b>Pro forma</b>	<b>Pro forma</b>		
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Work in progress	-	192	79	-
	-	192	79	-

### 8. Debtors

	<b>Pro forma</b>	<b>Pro forma</b>		
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Due within one year</b>				
Trade debtors	152	433	1,581	1,934
Corporation tax	3	3	3	18
Staff loans	6	16	309	191
Other debtors	4	-	519	55
Prepayments and accrued income	39	55	55	274
	204	507	2,467	2,472

### 9. Creditors: amounts falling due within one year

	<b>Pro forma</b>	<b>Pro forma</b>		
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Bank overdrafts	-	-	259	270
Bank loans	-	-	-	1,154
Trade creditors	50	146	462	541
Corporation tax	2	3	113	140
Other taxes and social security	-	2	106	71
Staff loans	41	52	137	138
Other creditors	-	49	-	-
Deferred consideration	-	-	3,500	4,000
Accruals and deferred income	1	4	454	560
	94	256	5,034	6,874

Details of the deferred consideration are provided in note 10 below.

## NOTES TO THE FINANCIAL INFORMATION

### 10. Creditors: amounts falling due after more than one year

	Pro forma 31 March 2006 \$'000	Pro forma 31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
Bank loans	-	-	5,800	4,646
Amounts owed to ultimate parent company	180	632	3,380	3,071
Deferred consideration	-	-	6,000	5,000
	180	632	15,180	12,717

### Maturity analysis of debt

	Bank loans \$'000	Ultimate parent company loan \$'000	Deferred consideration \$'000	Total \$'000
<b>As at 31 March 2006</b>				
Falling due between 1 and 2 years	-	180	-	180
	-	180	-	180
<b>As at 31 March 2007</b>				
Falling due between 1 and 2 years	-	632	-	632
	-	632	-	632
<b>As at 31 March 2008</b>				
Falling due within 1 year	-	-	3,500	3,500
Falling due between 1 and 2 years	1,538	3,380	1,000	5,918
Falling due between 2 and 5 years	4,262	-	5,000	9,262
	5,800	3,380	9,500	18,680
<b>As at 31 December 2008</b>				
Falling due within 1 year	1,154	-	4,000	5,154
Falling due between 1 and 2 years	1,805	3,071	4,000	8,876
Falling due between 2 and 5 years	2,841	-	1,000	3,841
	5,800	3,071	9,000	17,871

The bank loans advanced by Export-Import Bank of India are secured on the assets of the Group and bear interest at 8.0% and 3.5% above US Dollar LIBOR (6 months) on loans of \$800,000 and \$5,000,000 respectively.

The loans advanced by the Company's ultimate parent company, Turnkey Software People India Private Limited ("Turnkey"), are interest free, unsecured and without a fixed repayment term. Turnkey has stated that it will not seek repayment of the loans before 31 December 2010.

The deferred consideration relates to the purchase by the Company through its wholly owned subsidiary, Arrowpoint Technologies Inc, of the issued share capital of Lynchval Systems Worldwide Inc. and the trade and assets of KeyTech LLC. Of the \$9,000,000 outstanding as at 31 December 2008, \$7,000,000 will be settled through the issue of ordinary share capital of the Company upon the admission of the Company's share capital to a recognised stock exchange. The number of shares to be issued at settlement will be dependent on the issue price of the Company's shares upon admission. The remaining \$2,000,000 deferred consideration is payable in cash. Of this amount, \$1,000,000 was payable on 27 September 2008 and \$1,000,000 is payable on or before 4 September 2009.

## NOTES TO THE FINANCIAL INFORMATION

### 11. Share capital

	Pro forma 31 March 2006 \$'000	Pro forma 31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
<b>Allotted and fully paid</b>				
Ordinary shares of £1 each (Nil; Nil; 323,631; 323,631)	-	-	473	473
	-	-	473	473

Under Isle of Man company law, the Company does not have authorised share capital equivalent to that included in the United Kingdom Companies Act 1985.

As at 31 December 2008, there were 1,119,814 fully paid Ordinary shares of £1 each that were issued at par on 20 April 2009. These shares are presented as "Shares to be issued" within "Capital and Reserves" on the balance sheet as at 31 December 2008 with a carrying value of \$1,634,000.

### 12. Reconciliation of movements in shareholders' funds

	Share capital \$'000	Shares to be issued \$'000	Merger reserve \$'000	Profit & loss account \$'000	Total \$'000
B/fwd at 1 April 2005	-	-	-	99	99
Merger reserve arising on consolidation	-	-	3	-	3
Profit for the year	-	-	-	56	56
C/fwd at 31 March 2006	-	-	3	155	158
Loss for the year	-	-	-	(127)	(127)
Foreign exchange difference on brought forward reserves	-	-	-	(9)	(9)
C/fwd at 31 March 2007	-	-	3	19	22
Issue of shares	473	-	-	-	473
Merger reserve arising on consolidation	-	-	(278)	-	(278)
Profit for the year	-	-	-	96	96
Foreign exchange difference on brought forward reserves	-	-	-	(21)	(21)
C/fwd at 31 March 2008	473	-	(275)	94	292
Capitalisation of ultimate parent company loan	-	1,634	-	-	1,634
Profit for the period	-	-	-	65	65
Foreign exchange difference on brought forward reserves	-	-	-	(28)	(28)
C/fwd at 31 December 2008	473	1,634	(275)	131	1,963

Shares to be issued relate to the fully paid shares arising on the capitalisation of \$1,634,000 of the parent company loan on 31 December 2008. The Ordinary shares were issued on 20 April 2009.

The merger reserve arises on the presentation of the financial information of the Company, Arrowpoint Technologies Inc and Arrowpoint Technologies Pvt Ltd.

## NOTES TO THE FINANCIAL INFORMATION

### 13. Cash flows

Reconciliation of net cashflow to movement in net funds/(debt)

	<b>Pro forma Year ended 31 March 2006 \$'000</b>	<b>Pro forma Year ended 31 March 2007 \$'000</b>	<b>Pro forma Year ended 31 March 2008 \$'000</b>	<b>9 months ended 31 December 2008 \$'000</b>
Increase/(decrease) in cash during the period	82	(90)	468	46
Cash inflow from financing	(180)	(452)	(8,548)	(1,325)
Capitalisation of ultimate parent company loan	-	-	-	1,634
Movement in net funds/(debt) for the period	(98)	(542)	(8,080)	355
Net funds/(debt) brought forward	57	(41)	(583)	(8,663)
Net (debt) carried forward	(41)	(583)	(8,663)	(8,308)

Analysis of net funds/(debt)

	<b>Cash at bank \$'000</b>	<b>Bank overdrafts \$'000</b>	<b>Bank loans \$'000</b>	<b>Ultimate parent company \$'000</b>	<b>Net funds/(debt) \$'000</b>
B/fwd at 1 May 2005	57	-	-	-	57
Cash flow	82	-	-	(180)	(98)
C/fwd at 31 March 2006	139	-	-	(180)	(41)
Cash flow	(90)	-	-	(452)	(542)
C/fwd at 31 March 2007	49	-	-	(632)	(583)
Cash flow	727	(259)	(5,800)	(2,748)	(8,080)
C/fwd at 31 March 2008	776	(259)	(5,800)	(3,380)	(8,663)
Cash flow	57	(11)	-	(1,325)	(1,279)
Other non-cash changes	-	-	-	1,634	1,634
C/fwd at 31 December 2008	833	(270)	(5,800)	(3,071)	(8,308)

## NOTES TO THE FINANCIAL INFORMATION

### 14. Acquisitions

#### Purchase of trade and assets – KeyTech LLC and Recruiting Strategist Inc

On 4 September 2007, the trade and assets of KeyTech LLC were acquired for \$7,500,000, of which \$5,500,000 was payable in cash and \$2,000,000 by the issue of shares in the Company. The acquisition has been accounted for by the acquisition method of accounting. The consideration payable for the trade and assets approximates to their fair value as at the date of acquisition.

On 1 May 2008, the trade and assets of Recruiting Strategist Inc were acquired for \$75,000 in cash. The acquisition has been accounted for by the acquisition method of accounting. The consideration payable for the trade and assets approximates to their fair value as at the date of acquisition.

	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>31 December</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>2008</b>	<b>Total</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net assets acquired</b>					
Intangible fixed assets	-	-	4	-	4
Tangible fixed assets	-	-	25	-	25
	-	-	29	-	29
Goodwill			7,849	225	8,074
	-	-	7,878	225	8,103
<b>Satisfied by</b>					
Cash	-	-	4,378	225	4,603
Deferred consideration	-	-	3,500	-	3,500
	-	-	7,878	225	8,103

## NOTES TO THE FINANCIAL INFORMATION

### Purchase of subsidiary undertakings – Lynchval Systems Worldwide Inc

On 25 June 2007, 100% of the issued share capital of Lynchval Systems Worldwide Inc was acquired for \$9,000,000, of which \$4,000,000 was payable in cash and \$5,000,000 by the issue of shares in the Company. The acquisition has been accounted for by the acquisition method of accounting. The consideration payable for the trade and assets approximates to their fair value as at the date of acquisition.

	Pro forma 31 March 2006 \$'000	Pro forma 31 March 2007 \$'000	Pro forma 31 March 2008 \$'000	31 December 2008 \$'000	Total \$'000
<b>Net assets acquired</b>					
Intangible fixed assets	-	-	4	-	4
Tangible fixed assets	-	-	113	-	113
Debtors	-	-	1,114	-	1,114
Cash at bank and in hand	-	-	280	-	280
Creditors	-	-	(407)	-	(407)
	-	-	1,104	-	1,104
Goodwill			8,349	180	8,529
	-	-	9,453	180	9,633
<b>Satisfied by</b>					
Cash	-	-	3,453	180	3,633
Deferred consideration	-	-	6,000	-	6,000
	-	-	9,453	180	9,633

### 15. Commitments under operating leases

During the periods under review, the Group had annual commitments under non-cancellable operating lease as follows:

	Pro forma 31 March 2006 \$'000	Pro forma 31 March 2007 \$'000	Pro forma 31 March 2008 \$'000	31 December 2008 \$'000
<b>Land and buildings</b>				
Expiring in less than one year	-	-	-	53
Expiring within one to two years	-	-	52	-
Expiring within two to five years	-	-	-	105
Expiring in more than five years	-	-	59	59
	-	-	111	217
<b>Other</b>				
Expiring in less than one year	-	-	5	2
Expiring within one to two years	-	-	-	-
Expiring within two to five years	-	-	-	-
	-	-	5	2

## NOTES TO THE FINANCIAL INFORMATION

### 16. Related parties

During the periods under review, the Group undertook the following related party transactions:

	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>31 December</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>2008</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Amounts owed to related parties</b>				
Turnkey, ultimate parent company	180	632	3,380	3,071
	<u>180</u>	<u>632</u>	<u>3,380</u>	<u>3,071</u>
<b>Maximum indebtedness in the period</b>				
Turnkey, ultimate parent company	180	632	3,853	4,711
	<u>180</u>	<u>632</u>	<u>3,853</u>	<u>4,711</u>

The Company has taken advantage of the exemption available in accordance with FRS8 "Related party disclosures" as the Company is a subsidiary undertaking where 90% or more of the voting rights are controlled by Turnkey. Accordingly, the financial information does not disclose transactions within the Group, and investees of the Group qualifying as related parties.

### 17. Post balance sheet events

On 20 April 2009, the Company changed its name from Arrowpoint Technologies Limited to Arrowpoint Technologies Plc.

On 20 April 2009, the Company's issued and to be issued share capital was sub-divided from 1,443,445 Ordinary shares of £1 each into 144,344,500 Ordinary shares of 1p each.

On 24 April 2009, the Company issued 971,429 Ordinary shares of 1p each at 35p per share to Geodesic Holdings Limited for cash.

On 27 April 2009, the Company issued 30,000,000 Ordinary shares of 1p each at par to Mr. Santanu Nandy, a Director of the Company, in return for services provided to the Company.

On 27 April 2009, the Company issued 10,000,000 Ordinary shares of 1p each at par to Mr. Nirmal Kedia, a Director of the Company, in return for services provided to the Company.

On 27 April 2009, deferred consideration of \$5,000,000 in respect of the acquisition of the issued share capital of Lynchval was settled through the issue of 9,784,736 new Ordinary shares of 1p each at 35p per share (or £3,424,657.60 at an exchange rate of \$1.47 to £1).

On 27 April 2009, deferred consideration of \$2,000,000 in respect of the acquisition of the trade and assets of KeyTech was settled through the issue of 4,305,285 new Ordinary shares of 1p each at 35p per share (or £1,506,849.75 at an exchange rate of \$1.47 to £1).

### 18. Parent undertakings and ultimate controlling party

As at 31 December 2008, the ultimate parent company of the Company was Turnkey, a company registered in India.

As at 31 December 2008, the ultimate controlling party was Kirti Investments Limited.

### 19. Nature of the financial information

The financial information presented above does not constitute statutory accounts for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008.

## (b) Accountants' Report on Lynchval Systems Worldwide Inc.

The Directors  
Arrowpoint Technologies Plc  
33-37 Athol Street  
Douglas  
Isle of Man IM1 1LB



The Directors  
St Helen's Capital Plc  
15 St Helen's Place  
London EC3A 6DE

6 August 2009

Dear Sirs

### Introduction

We report on the financial information of Lynchval Systems Worldwide Inc ("Lynchval") which has been prepared for inclusion in the PLUS Admission Document (the "Document") dated 6 August 2009 of Arrowpoint Technologies Plc (the "Company"), on the basis of the accounting policies set out in note 2 to the financial information. This report is given for the purpose of the PLUS Admission and for no other purpose.

### Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with applicable UK Generally Accepted Accounting Practice.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

### Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

### Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of Lynchval as at the dates stated and of the results and cash flows for the periods then ended in accordance with the basis of preparation set out in note 2 below and in accordance with applicable UK Generally Accepted Accounting Practice.

### Declaration

We declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

**Mazars LLP**

## PROFIT AND LOSS ACCOUNTS

The profit and loss accounts of Lynchval for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008 are set out below:

		Year ended 31 March 2006 \$'000	Year ended 31 March 2007 \$'000	Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
	Notes				
Turnover		4,981	5,213	6,182	5,046
Administrative expenses		(5,390)	(5,469)	(4,683)	(3,830)
(Loss)/profit on ordinary activities before interest and tax		(409)	(256)	1,499	1,216
Interest receivable and similar income		20	9	14	-
Interest payable and similar charges		(1)	(4)	(4)	-
(Loss)/profit on ordinary activities before tax	3	(390)	(251)	1,509	1,216
Tax on (loss)/profit on ordinary activities	4	74	35	(50)	(12)
(Loss)/profit for the financial period		(316)	(216)	1,459	1,204

All operations are continuing operations.

There are no other recognised gains and losses other than the (losses)/profits for the periods under review.

## BALANCE SHEETS

The balance sheets of Lynchval as at 31 March 2006, 31 March 2007, 31 March 2008 and 31 December 2008 are set out below:

		31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
	Notes				
Fixed assets					
Intangible assets	5	13	7	843	2,008
Tangible assets	6	137	116	81	114
		<u>150</u>	<u>123</u>	<u>924</u>	<u>2,122</u>
Current assets					
Debtors	7	1,080	914	1,929	2,222
Investments	8	5	-	-	-
Cash at bank and in hand		200	238	44	5
		<u>1,285</u>	<u>1,152</u>	<u>1,973</u>	<u>2,227</u>
Creditors: amounts falling due within one year	9	(442)	(498)	(661)	(909)
Net current assets		<u>843</u>	<u>654</u>	<u>1,312</u>	<u>1,318</u>
Total assets less current liabilities		<u>993</u>	<u>777</u>	<u>2,236</u>	<u>3,440</u>
Net assets		<u>993</u>	<u>777</u>	<u>2,236</u>	<u>3,440</u>
Capital and reserves					
Called up share capital	10	-	-	-	-
Share premium	11	19	19	19	19
Profit and loss reserve	11	974	758	2,217	3,421
Total shareholders' funds - equity	11	<u>993</u>	<u>777</u>	<u>2,236</u>	<u>3,440</u>

## CASH FLOW STATEMENTS

The cash flow statements of Lynchval for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008 are set out below:

	Year ended 31 March 2006 \$'000	Year ended 31 March 2007 \$'000	Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
<b>Operating (loss)/profit before interest and tax</b>	(409)	(256)	1,499	1,216
Amortisation charges	6	6	6	1
Depreciation charges	81	10	5	7
Decrease/(increase) in debtors	238	166	44	(189)
Increase in creditors	87	2	25	359
<b>Net cash from/(used in) operating activities</b>	3	(72)	1,579	1,394
<b>Returns on investments and servicing of finance</b>				
Interest received	20	9	14	-
Interest paid	(1)	(4)	(4)	-
	19	5	10	-
<b>Taxation</b>	(58)	27	31	(52)
<b>Capital expenditure and financial investment</b>				
Capitalised expenditure on software development	-	-	(842)	(1,166)
Purchase of tangible fixed assets	(161)	(8)	-	(39)
Sale of tangible fixed assets	-	19	30	(1)
Sale of current asset investments	-	5	-	-
Loans to immediate parent company	-	-	(1,059)	(104)
	(161)	16	(1,871)	(1,310)
<b>Financing</b>				
Bank loan repayments	(12)	(13)	(8)	-
	(12)	(13)	(8)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	12 (209)	(37)	(259)	32
At the beginning of the period	409	200	163	(96)
<b>At the end of the period</b>	200	163	(96)	(64)

## NOTES TO THE FINANCIAL INFORMATION

### 1. General information

Lynchval was incorporated as a Private Incorporated Corporation under the laws of the State of Delaware, USA on 10 August 1998. The principal activity of Lynchval is the provision of retirement and financial services solutions to the banking and financial services industry.

### 2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the financial information of Lynchval.

#### (a) Basis of presentation

The financial information has been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice. The principal accounting policies adopted are set out below.

#### (b) Reporting currency

The financial information is presented in United States Dollars and rounded to the nearest thousand except when otherwise indicated.

#### (c) Turnover

Turnover represents amounts invoiced, excluding sales tax, in respect of the sale of goods and services to customers.

#### (d) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

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

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

#### (e) Intangible assets – purchased software

Intangible assets comprise purchased software applications which are recorded at cost.

Purchased software is amortised through the profit and loss account in equal instalments over a period of between one and three years, being the estimated useful lives of the purchased software applications.

#### (f) Intangible assets – software development

Research expenditure on new software applications is written off as incurred. Software development expenditure is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which Lynchval is expected to benefit, this period being 10 years. Provision is made for any impairment.

#### (g) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or revalued amount, less estimated residual value, over their expected useful lives, as follows:

Leasehold buildings	39 years straight line
Computer equipment	5 years straight line
Furniture & fittings	Between 5 and 7 years straight line
Motor vehicles	5 years straight line

#### (h) Investments

Investments held as current assets are stated at the lower of cost and net realisable value.

#### (i) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

## NOTES TO THE FINANCIAL INFORMATION

### (j) Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into US Dollars at rates of exchange ruling on the date on which transactions occur, except for:

- monetary assets and liabilities which are translated at the rate ruling at the balance sheet date: and
- transactions to be settled at a contract rate and trading transactions covered by a related or matching forward contract which are settled at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

### 3. (Loss)/profit on ordinary activities before tax

	Year ended 31 March 2006 \$'000	Year ended 31 March 2007 \$'000	Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
(Loss)/profit on ordinary activities before tax is stated after charging/(crediting):				
Wages and salaries	3,660	3,728	3,759	3,373
Amortisation of intangible fixed assets	6	6	6	1
Depreciation of tangible fixed assets	81	10	5	7
Profit on disposal of tangible fixed assets	-	38	31	-
Operating leases – land and buildings	14	53	100	49
Operating leases – other	1	5	5	3
Research and development expenditure	-	-	1	-
Development costs capitalised	-	-	(842)	(1,166)

### 4. Taxation on the (loss)/profit on ordinary activities

	Year ended 31 March 2006 \$'000	Year ended 31 March 2007 \$'000	Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
<b>Analysis of (credit)/charge for the period</b>				
Corporation tax	58	12	50	12
Deferred tax	(132)	(47)	-	-
Tax on (loss)/profit on ordinary activities	(74)	(35)	50	12

## NOTES TO THE FINANCIAL INFORMATION

	Year ended 31 March 2006 \$'000	Year ended 31 March 2007 \$'000	Year ended 31 March 2008 \$'000	9 months ended 31 December 2008 \$'000
<b>Factors affecting tax charge for the period</b>				
(Loss)/profit on ordinary activities before tax	(390)	(251)	1,509	1,216
(Loss)/profit on ordinary activities multiplied by standard tax rate 35% (for all periods)	(137)	(88)	528	426
Effects of:				
Timing differences relating to cash accounting	195	100	-	-
Immediate parent company tax losses utilised	-	-	(528)	(426)
State tax overpayment	-	-	42	-
State tax rate differential	-	-	8	12
Current tax charge for the period	<u>58</u>	<u>12</u>	<u>50</u>	<u>12</u>

## NOTES TO THE FINANCIAL INFORMATION

### 5. Intangible assets

	Purchased software \$'000	Software development \$'000	Total \$'000
<b>Cost</b>			
B/fwd at 1 April 2005	111	-	111
Additions	-	-	-
C/fwd at 31 March 2006	111	-	111
Additions	-	-	-
C/fwd at 31 March 2007	111	-	111
Additions	-	842	842
C/fwd at 31 March 2008	111	842	953
Additions	-	1,166	1,166
C/fwd at 31 December 2008	111	2,008	2,008
<b>Amortisation</b>			
B/fwd at 1 April 2005	(92)	-	(92)
Charge for the year	(6)	-	(6)
C/fwd at 31 March 2006	(98)	-	(98)
Charge for the year	(6)	-	(6)
C/fwd at 31 March 2007	(104)	-	(104)
Charge for the year	(6)	-	(6)
C/fwd at 31 March 2008	(110)	-	(110)
Charge for the period	(1)	-	(1)
C/fwd at 31 December 2008	(111)	-	(111)
<b>Net book value</b>			
As at 31 December 2008	-	2,008	2,008
As at 31 March 2008	1	842	843
As at 31 March 2007	7	-	7
As at 31 March 2006	13	-	13

Software development additions represent salary costs associated with the development of new software applications to be utilised by Lynchval in its trade in subsequent years. Development commenced on the software in April 2007 and remained ongoing as at 31 December 2008. The Directors expect to complete the development process in June 2009.

Upon completion of the software development and its subsequent utilisation by Lynchval, the software development costs will be amortised over the period during which Lynchval is expected to benefit, this period being 10 years.

## NOTES TO THE FINANCIAL INFORMATION

### 6. Tangible assets

	Leasehold buildings \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>					
B/fwd at 1 April 2005	25	227	153	52	457
Additions	74	75	12	-	161
C/fwd at 31 March 2006	99	302	165	52	618
Additions	-	-	8	-	8
Disposals	(26)	(14)	-	-	(40)
C/fwd at 31 March 2007	73	288	173	52	586
Disposals	-	-	-	(52)	(52)
C/fwd at 31 March 2008	73	288	173	-	534
Additions	-	36	4	-	40
C/fwd at 31 December 2008	73	324	177	-	574
<b>Depreciation</b>					
B/fwd at 1 April 2005	(4)	(239)	(149)	(8)	(400)
Charge for the year	(1)	(63)	(14)	(3)	(81)
C/fwd at 31 March 2006	(5)	(302)	(163)	(11)	(481)
Charge for the year	(3)	(2)	(3)	(2)	(10)
Eliminated on disposal	5	16	-	-	21
C/fwd at 31 March 2007	(3)	(288)	(166)	(13)	(470)
Charge for the year	(2)	-	(2)	(1)	(5)
Eliminated on disposal	-	8	-	14	22
C/fwd at 31 March 2008	(5)	(280)	(168)	-	(453)
Charge for the period	(1)	(6)	-	-	(7)
C/fwd at 31 December 2008	(6)	(286)	(168)	-	(460)
<b>Net book value</b>					
As at 31 December 2008	67	38	9	-	114
As at 31 March 2008	68	8	5	-	81
As at 31 March 2007	70	-	7	39	116
As at 31 March 2006	94	-	2	41	137

## NOTES TO THE FINANCIAL INFORMATION

### 7. Debtors

	31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
<b>Due within one year</b>				
Trade debtors	722	540	439	750
Amounts owed from immediate parent company	-	-	1,059	1,163
Other debtors	47	41	264	1
Staff loans	299	333	167	178
Prepayments and accrued income	12	-	-	130
	<u>1,080</u>	<u>914</u>	<u>1,929</u>	<u>2,222</u>

### 8. Current asset investments

	31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
Other investments	5	-	-	-

### 9. Creditors: amounts falling due within one year

	31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
Bank overdrafts	-	75	140	69
Bank loans	21	8	-	-
Trade creditors	72	41	54	64
Amounts owed to fellow subsidiaries	-	-	55	162
Corporation tax	78	70	151	111
Other creditors	150	98	3	9
Other taxes	1	-	-	-
Accruals and deferred income	120	206	258	494
	<u>442</u>	<u>498</u>	<u>661</u>	<u>909</u>

The bank loan was secured on Lynchval's motor vehicles included within tangible fixed assets. The interest rate applicable to the loan was 5%.

## NOTES TO THE FINANCIAL INFORMATION

### 10. Share capital

	31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
<b>Authorised</b>				
1,500 Ordinary shares of no par value	-	-	-	-
	-	-	-	-
<b>Allotted and fully paid</b>				
1,000 Ordinary shares of no par value	-	-	-	-
	-	-	-	-

### 11. Reconciliation of movements in shareholders' funds

	Share capital \$'000	Share premium \$'000	Profit & loss account \$'000	Total \$'000
B/fwd at 1 April 2005	-	19	1,290	1,309
Loss for the year	-	-	(316)	(316)
C/fwd at 31 March 2006	-	19	974	993
Loss for the year	-	-	(216)	(216)
C/fwd at 31 March 2007	-	19	758	777
Profit for the year	-	-	1,459	1,459
C/fwd at 31 March 2008	-	19	2,217	2,236
Profit for the period	-	-	1,204	1,204
C/fwd at 31 December 2008	-	19	3,421	3,440

## NOTES TO THE FINANCIAL INFORMATION

### 12. Cash flows

Reconciliation of net cashflow to movement in net funds/(debt)

	<b>Year ended 31 March 2006 \$'000</b>	<b>Year ended 31 March 2007 \$'000</b>	<b>Year ended 31 March 2008 \$'000</b>	<b>9 months ended 31 December 2008 \$'000</b>
(Decrease)/increase in cash during the period	(209)	(37)	(259)	32
Cash inflow from financing	12	13	8	-
Movement in net funds/(debt) for the period	(197)	(24)	(251)	32
Net funds/(debt) brought forward	376	179	155	(96)
Net funds/(debt) carried forward	179	155	(96)	(64)

Analysis of net funds/(debt)

	<b>Cash at bank \$'000</b>	<b>Bank overdrafts \$'000</b>	<b>Bank loans \$'000</b>	<b>Net funds/(debt) \$'000</b>
B/fwd at 1 April 2005	409	-	(33)	376
Cash flow	(209)	-	12	(197)
C/fwd at 31 March 2006	200	-	(21)	179
Cash flow	38	(75)	13	(24)
C/fwd at 31 March 2007	238	(75)	(8)	155
Cash flow	(194)	(65)	8	(251)
C/fwd at 31 March 2008	44	(140)	-	(96)
Cash flow	(39)	71	-	32
C/fwd at 31 December 2008	5	(69)	-	(64)

## NOTES TO THE FINANCIAL INFORMATION

### 13. Commitments under operating leases

During the periods under review, Lynchval had annual commitments under non-cancellable operating lease as follows:

	31 March 2006 \$'000	31 March 2007 \$'000	31 March 2008 \$'000	31 December 2008 \$'000
<b>Land and buildings</b>				
Expiring in less than one year	-	-	-	53
Expiring within one to two years	-	-	52	-
Expiring within two to five years	-	-	-	4
Expiring in more than five years	41	55	55	55
	<u>41</u>	<u>55</u>	<u>107</u>	<u>112</u>
<b>Other</b>				
Expiring in less than one year	-	-	5	2
Expiring within one to two years	-	5	-	-
Expiring within two to five years	5	-	-	-
	<u>5</u>	<u>5</u>	<u>5</u>	<u>2</u>

### 14. Related parties

Lynchval has taken advantage of the exemption available in accordance with FRS8 "Related party disclosures" as Lynchval is a subsidiary undertaking where 90% or more of the voting rights are controlled by the Company. Accordingly, the financial information does not disclose transactions with the Company's wholly owned subsidiaries, Arrowpoint Technologies Inc and Arrowpoint Technologies Pvt Ltd, and investees of the group qualifying as related parties.

### 15. Parent undertakings and ultimate controlling party

As at 31 December 2008, the immediate parent company of Lynchval is Arrowpoint Technologies Inc, a company registered in New Jersey, USA.

As at 31 December 2008, the ultimate parent company of Lynchval is Turnkey, a company registered in India.

As at 31 December 2008, the ultimate controlling party is Kirti Investments Limited.

### 16. Nature of the financial information

The financial information presented above does not constitute statutory accounts for each of the three years ended 31 March 2008 and the nine-month period ended 31 December 2008.

## (c) Accountants' Report on Arrowpoint Technologies Plc

The Directors  
Arrowpoint Technologies Plc  
33-37 Athol Street  
Douglas  
Isle of Man IM1 1LB



The Directors  
St Helen's Capital Plc  
15 St Helen's Place  
London EC3A 6DE

6 August 2009

Dear Sirs

### **Introduction**

We report on the financial information of Arrowpoint Technologies Plc (the "Company") which has been prepared for inclusion in the PLUS Admission Document (the "Document") dated 6 August 2009 of the Company, on the basis of the accounting policies set out in note 2 to the financial information. This report is given for the purpose of the PLUS Admission and for no other purpose.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with applicable UK Generally Accepted Accounting Practice.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

### **Basis of Opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at the dates stated in accordance with the basis of preparation set out in note 2 below and in accordance with applicable UK Generally Accepted Accounting Practice.

### **Declaration**

We declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

**Mazars LLP**

## BALANCE SHEETS

The audited balance sheets of the Company as at 31 December 2008 and 24 April 2009 are set out below:

		<b>31 December</b>	<b>24 April</b>
		<b>2008</b>	<b>2009</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed assets			
Investments in subsidiary undertakings		278	278
Current assets			
Debtors	3	5,201	6,251
Cash at bank and in hand		11	505
		<hr/> 5,212	<hr/> 6,756
Creditors: amounts falling due within one year	4	(69)	(67)
Net current assets		<hr/> 5,143	<hr/> 6,689
Total assets less current liabilities		<hr/> 5,421	<hr/> 6,967
Creditors: amounts falling due in more than one year	5	(3,324)	(4,374)
Net assets		<hr/> <hr/> 2,097	<hr/> <hr/> 2,593
Capital and reserves			
Called up share capital	6	473	2,603
Shares to be issued	6	1,634	-
Profit and loss reserve		(10)	(10)
Total shareholders' funds - equity		<hr/> <hr/> 2,097	<hr/> <hr/> 2,593

## NOTES TO THE FINANCIAL INFORMATION

### 1. General information

The Company was incorporated as a Private Limited Company in the Isle of Man, under the Companies Act 2006 on 13 July 2007. The principal activity of the Company is that of a holding company.

### 2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the consolidated financial information of the Company.

#### (a) Basis of presentation

The financial information has been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice. The principal accounting policies adopted are set out below.

#### (b) Reporting currency

The financial information is presented in United States Dollars and rounded to the nearest thousand except when otherwise indicated.

#### (c) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

#### (d) Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into US Dollars at rates of exchange ruling on the date on which transactions occur, except for:

- monetary assets and liabilities which are translated at the rate ruling at the balance sheet date; and
- transactions to be settled at a contract rate and trading transactions covered by a related or matching forward contract which are settled at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

### 3. Debtors

	<b>31 December</b>	<b>24 April</b>
	<b>2008</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Due within one year</b>		
Amounts owed from subsidiary undertakings	5,201	6,202
Prepayments and accrued income	-	49
	<u>5,201</u>	<u>6,251</u>

### 4. Creditors: amounts falling due within one year

	<b>31 December</b>	<b>24 April</b>
	<b>2008</b>	<b>2009</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade creditors	2	-
Other creditors	67	67
	<u>69</u>	<u>67</u>

## NOTES TO THE FINANCIAL INFORMATION

### 5. Creditors: amounts falling due in more than one year

	31 December 2008 \$'000	24 April 2009 \$'000
Bank loans	800	1,800
Amounts owed to ultimate parent company	2,524	2,574
	3,324	4,374

The bank loan advanced by Export-Import Bank of India is secured on the assets of the Company and its subsidiaries and bears interest at 8.0% above US Dollar LIBOR (6 months).

The loan of \$2,574,000 provided by the Company's ultimate parent company, Turnkey Software People India Private Limited ("Turnkey") is interest free, unsecured and without a fixed repayment term. Turnkey has stated that it will not seek repayment of the loan before 31 December 2010.

### 6. Share capital

	31 December 2008 \$'000	24 April 2009 \$'000
<b>Allotted and fully paid</b>		
Ordinary shares of £1; £0.01 each (323,631; 145,315,929)	473	2,603
	473	2,603

As at 31 December 2008, there were 1,119,814 fully paid Ordinary shares of £1 each that were issued at £1 each on 20 April 2009. These shares are presented as "Shares to be issued" within "Capital and Reserves" on the balance sheet as at 31 December 2008 with a carrying value of \$1,634,000.

On 20 April 2009, the Company's issued and to be issued share capital was sub-divided from 1,443,445 Ordinary Shares of £1 each into 144,344,500 Ordinary Shares of 1p each.

On 24 April 2009, the Company issued 971,429 Ordinary Shares of 1p each at 35p per share to Geodesic Holdings Limited for cash.

### 7. Post balance sheet events

On 27 April 2009, the Company issued 30,000,000 Ordinary shares of 1p each at par to Mr. Santanu Nandy, a Director of the Company, in return for services provided to the Company.

On 27 April 2009, the Company issued 10,000,000 Ordinary shares of 1p each at par to Mr. Nirmal Kedia, a Director of the Company, in return for services provided to the Company.

On 27 April 2009, deferred consideration of \$5,000,000 in respect of the acquisition of the issued share capital of Lynchval was settled through the issue of 9,784,736 new Ordinary shares of 1p each at 35p per share (or £3,424,657.60 at an exchange rate of \$1.47 to £1).

On 27 April 2009, deferred consideration of \$2,000,000 in respect of the acquisition of the trade and assets of KeyTech was settled through the issue of 4,305,285 new Ordinary shares of 1p each at 35p per share (or £1,506,849.75 at an exchange rate of \$1.47 to £1).

### 8. Parent undertakings and ultimate controlling party

As at 24 April 2009, the ultimate parent company of the Company was Turnkey, a company registered in India.

As at 24 April 2009, the ultimate controlling party was Kirti Investments Limited.

### 9. Nature of the financial information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2008 and the period ended 24 April 2009.

**PART IV**  
**UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS**

Set out below is an unaudited pro forma statement of consolidated net assets of the Group, which has been prepared on the basis of the financial information on the Company, ATI, Lynchval and ATPL, as adjusted for the recent share subscription and conversion of deferred acquisition consideration into ordinary share capital of the Company and the proceeds of the Offer as set out in the notes below. The unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, will not represent the actual consolidated financial position of the Company.

	<b>The Group</b>	<b>Subscription proceeds</b>	<b>Deferred consideration settlement</b>	<b>Offer Proceeds</b>	<b>Pro forma net assets</b>
	Note 1	Note 2	Note 3	Note 4	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed assets					
Intangible assets	17,970	-	-	-	17,970
Tangible assets	279	-	-	-	279
	<u>18,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,249</u>
Current assets					
Debtors	2,472	-	-	-	2,472
Cash at bank and in hand	833	496	-	(191)	1,138
	<u>3,305</u>	<u>496</u>	<u>-</u>	<u>(191)</u>	<u>3,610</u>
Creditors: amounts falling due within one year	(6,874)	-	2,000	-	(4,874)
Net current liabilities	<u>(3,569)</u>	<u>496</u>	<u>2,000</u>	<u>(191)</u>	<u>(1,264)</u>
Total assets less current liabilities	<u>14,680</u>	<u>496</u>	<u>2,000</u>	<u>(191)</u>	<u>16,985</u>
Creditors: amounts falling due after more than one year	(12,717)	-	5,000	-	(7,717)
Net assets	<u>1,963</u>	<u>496</u>	<u>7,000</u>	<u>(191)</u>	<u>9,268</u>

**Notes:**

- 1 The consolidated balance sheet of the Group as at 31 December 2008 has been extracted without adjustment from the financial information set out in Part III (a) of this Document. No account has been taken of the activities of the Group subsequent to 31 December 2008.
- 2 Subscription proceeds represent the issue on 24 April 2009 by the Company of 971,429 new Ordinary shares of 1p each at 35p per share, raising £340,000 (or \$495,720 at an exchange rate of \$1.458 to £1).
- 3 On 27 April 2009, deferred consideration of \$5,000,000 in respect of the acquisition of the issued share capital of Lynchval was settled through the issue of 9,784,736 new Ordinary shares of 1p each at 35p per share (or £3,424,657.60 at an exchange rate of \$1.47 to £1).

On 27 April 2009, deferred consideration of \$2,000,000 in respect of the acquisition of the trade and assets of KeyTech was settled through the issue of 4,305,285 new Ordinary shares of 1p each at 35p per share (or £1,506,849.75 at an exchange rate of \$1.47 to £1).

4. Offer proceeds comprise the issue of 925,000 Ordinary Shares of 1p each at 13p per share, raising £120,250 (or \$176,768 at an exchange rate of \$1.47 to £1). Associated costs of Admission are £250,000 (or \$367,500 at an exchange rate of \$1.47 to £1)
5. On 27 April 2009, the Company issued 30,000,000 Ordinary shares of 1p each at par to Mr. Santanu Nandy, a Director of the Company, in return for services provided to the Company.

On 27 April 2009, the Company issued 10,000,000 Ordinary shares of 1p each at par to Mr Nirmal Kedia, a Director of the Company, in return for services provided to the Company.

The share issues to Mr. Santanu Nandy and Mr. Nirmal Kedia were in return for services provided to the Company. As such, they have no effect on the unaudited pro forma consolidated net assets.

The Directors  
Arrowpoint Technologies Plc  
33-37 Athol Street  
Douglas  
Isle of Man IM1 1LB



The Directors  
St Helen's Capital Plc  
15 St Helen's Place  
London EC3A 6DE

6 August 2009

Dear Sirs

### **Introduction**

We report on the unaudited pro forma financial information set out in Part IV of the PLUS Admission Document (the "Document") dated 6 August 2009 of Arrowpoint Technologies Plc (the "Company") which has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the Subscription and conversion of deferred acquisition consideration into ordinary share capital of the Company might have affected the financial information presented on the basis of the accounting policies adopted by the Company.

### **Responsibilities**

It is the responsibility of the Directors of the Company to prepare the unaudited pro forma financial information. It is our responsibility to form an opinion on the financial information as to the proper compilation of the unaudited pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

**Declaration**

We are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

**Mazars LLP**

**PART V**  
**STATUTORY AND GENERAL INFORMATION**

**1. The Company**

- 1.1. The Company was incorporated in the Isle of Man on 13 July 2007 with company number 1170V. The Company changed its name to Arrowpoint Technologies Plc on 23 April 2009.
- 1.2. The Company's registered office is at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB.
- 1.3. The Company is governed by its memorandum and articles of association and the principal legislation under which the Company operates is the Companies Act.
- 1.4. The liability of the members of the Company is limited.

**2. Share Capital of the Company**

- 2.1. The authorised and issued share capital of the Company at the date of this Document and at Admission (assuming full subscription under the Offer) is as follows:

<b>Available for Issue</b>	<b>£</b>
250,000,000 Ordinary Shares	2,500,000.00
<b>Issued</b>	
200,330,950 Ordinary Shares	2,003,309.50

- 2.3.1 On incorporation of the Company, Darbara Limited subscribed for one Ordinary Share, which was transferred to Turnkey on 18 July 2007 in consideration for the payment of £1.00.
- 2.3.2 During the period covered by the financial information set out in Part III of this Document, the Company made the following allotments of ordinary shares of £1.00 each in the capital of the Company:

<b>Date of Issue</b>	<b>Number of Ordinary Shares</b>	<b>Amount Invested</b>
20 April 2009	323,630	US\$ 472,500
20 April 2009	1,119,814	US\$1,634,929

Further details of these share issues and their manner of capitalisation are set out in note 6 in Part III(c) of this Document.

- 2.4 On 20 April 2009 the following board resolutions were passed:
- 2.4.1 each of the existing issued and unissued Ordinary Shares of £1.00 each in the capital of the Company was subdivided into 100 Ordinary Shares of £0.01 each;
- 2.4.2 the name of the company was changed to Arrowpoint Technologies Plc;
- 2.4.3 amended Memorandum and new Articles were adopted; and
- 2.4.4 the financial year end of the Company was set as 31 March.
- 2.5 Following the subdivision of the Company's Ordinary Shares, the Company has made the following allotments of Ordinary Shares.

Issue of Ordinary Shares for cash:

<b>Date of Issue</b>	<b>Number of Ordinary Shares</b>	<b>Amount Invested</b>
24 April 2009	971,429	£340,000

Issues of Ordinary Shares in settlement of deferred consideration:

<b>Date of Issue</b>	<b>Number of Ordinary Shares</b>	<b>Value of deferred consideration settled</b>
27 April 2009	9,784,736	£3,424,657. 60
27 April 2009	4,305,285	£1,506,849. 75

Issues of Ordinary Shares for services provided to the Company:

<b>Date of Issue</b>	<b>Number of Ordinary Shares</b>	<b>Value of services provided to the Company</b>
27 April 2009	30,000,000	£300,000
27 April 2009	10,000,000	£100,000

- 2.6 On 22 May 2009, following a reassessment of the valuation of the Company prior to Admission and in accordance with the terms of a transfer agreement dated 22 May 2009, Turnkey, Santanu Nandy and Nirmal Kedia respectively transferred 594,127 Ordinary Shares, 15,013,362 Ordinary Shares and 7,000,000 Ordinary Shares from their shareholdings in the Company and discharged the Company from any potential contractual claims in respect of the transferred shares. Of these 22,607,489 Ordinary Shares, 1,643,956 were transferred to Geodesic Holdings Limited, 14,558,010 were transferred to the vendor of Lynchval, 5,431,813 were transferred to the vendors of KeyTech and 973,710 were transferred to employees for services to the Company. The resultant holdings of Turnkey, Mr Nandy and Mr Kedia are set out in paragraph 5 below.
- 2.7 As at the date of this Document, the Company has a total of 199,405,950 Ordinary Shares in issue. Assuming maximum subscription under the Offer, the Company will have 200,330,950 Ordinary Shares in issue at Admission. Each of the issued Ordinary Shares in the capital of the Company is credited as fully paid up.

### **3. Options**

The Directors intend to adopt a share option scheme at an appropriate time following Admission. No options or similar arrangements over any of the Company's shares have been granted save for the arrangement described in paragraph 8.26 of this Part V.

### **4. Memorandum and Articles of Association**

#### **4.1**

The Companies Act provides that the memorandum of association of a company may contain a statement specifying the purposes for which a company is established or the business, activities or transactions which the company is permitted to take or the restrictions (if any) upon such purposes, business, activities or transactions for which the company is established. Any such statement is without prejudice to the provision of the Companies Act stating that a company has unlimited capacity to carry on or undertake any business or activity and to do or be subject to any act or to enter into any transaction. The memorandum of association of the Company does not set forth any purposes for which the Company was established or any other restrictions or limitations on the exercise of its rights, powers and privileges.

#### **4.2**

The articles of association of the Company were adopted by resolution of the Company's sole shareholder on 20 April 2009 and contain provisions, *inter alia*, to the following effect:

##### **4.2.1 Voting**

Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each member who is present in person at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person or by proxy has one vote in respect of each share held.

##### **4.2.2 Shares**

###### **4.2.2.1 Shares Authorised for Issue**

Unless the Company shall otherwise direct by Special Resolution, a maximum of 250,000,000 Ordinary Shares are available for issue.

#### 4.2.2.2 Issuance

Subject to the provisions of the Companies Act and the remaining provisions of the Articles, the authorised and unissued shares in the capital of the Company shall be at the disposal of the Directors, who may allot, issue, grant options or warrants or other rights over or otherwise deal with or dispose of shares at such times, to such persons, for such consideration and on such terms as the Directors may determine

#### 4.2.2.3 Pre-emption Rights

Before issuing shares for cash that rank or would rank as to voting or distribution rights, or both, equally with or in priority to Ordinary Shares, the directors shall offer the shares to existing holders of Ordinary Shares in such a manner that, if the offer was accepted by those holders of Ordinary Shares, the existing voting or distribution rights, or both, of those holders of Ordinary Shares would be maintained. Shares offered to existing holders of Ordinary Shares under the foregoing pre-emption provision shall be offered at such price and on such terms as the shares to be offered to other persons. Any offer made must remain open for acceptance for not less than 14 days from the date that the offer is made.

The Directors shall have (notwithstanding the foregoing pre-emption provisions) the power and authority (without the need for any further sanction):

4.2.2.3.1 to allot and issue up to 1,000,000 Ordinary Shares for cash prior to Admission ranking pari passu in all respects with the Ordinary Shares currently in issue:

4.2.2.3.2 to allot and issue Ordinary Shares with an aggregate nominal value of not more than 25 per cent of the aggregate nominal value of the share capital of the Company in issue immediately following Admission;

4.2.2.3.3 to allot and issue Ordinary Shares if these are, or are to be, paid up otherwise than in cash; and

4.2.2.3.4 to allot and issue Ordinary Shares upon the due exercise of options or rights granted under any share option plan,

with such authority, unless renewed, to expire at the end of the first annual general meeting of the Company following Admission, but shall extend to the making, before such expiry, of an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the authority had not expired.

#### 4.2.2.4 Commission and Brokerage

The Company may pay such brokerages and/or commissions as may be lawful.

#### 4.2.2.5 Non-recognition of Trusts

Except as expressly stipulated in the Articles, as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any shares upon any trust and the Company shall not be bound by or recognise any interest in any share or in any fractional part of a share except an absolute right of the holder to the entirety of the share.

#### 4.2.2.6 Variation of Rights

Subject to the Companies Act, the special rights attached to any class of shares may (unless otherwise provided in the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by proxy one-third in number of the issued

shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present not less than one person who is present in person or by proxy shall be a quorum).

#### 4.2.3 **Obligation to Disclose Interests in Shares**

Each member of the Company shall comply with the notification obligations to the Company contained in Chapter 5 of the Disclosure and Transparency Rules of the FSA as if the Company were a UK issuer for the purposes of such rules.

#### 4.2.4 **Power to Require Disclosure**

The Directors may serve notice on any member or any other person appearing to be interested in shares held by that member requiring such person(s) to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors shall specify in such notice.

If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may at any time following 14 days from the expiry of the prescribed period serve a disenfranchisement notice on the member. The disenfranchisement notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares"), the member shall not be entitled to be present or to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent of the class of shares concerned the disenfranchisement notice shall additionally direct that dividends on such shares will be withheld by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### 4.2.5 **Transfer of and transmission of shares**

The Articles are consistent with CREST membership and, *inter alia*, allow for the holding and transfer of shares in uncertificated form.

Any member may transfer all or any of his certificated shares by instrument of transfer in any form which the Board may approve or, in the case of uncertificated shares, without a written instrument in accordance with the CREST Regulations. Any written instrument of transfer shall be executed by or on behalf of the transferor, shall contain the name and business or residential address of the transferee and (in the case of a transfer of a share which is not fully paid up) shall be executed by or on behalf of the transferee.

The Board may in its absolute discretion and without giving any reason refuse to register a transfer of a certificated share unless:

- 4.2.5.1 it is in respect of a share that is fully paid up;
- 4.2.5.2 it is in respect of a share on which the Company has no lien;
- 4.2.5.3 it is in respect of only one class of shares;
- 4.2.5.4 it is in favour of a single transferee or not more than four joint transferees; and
- 4.2.5.5 it is delivered for registration to the Registered Agent or such other place as the Board may from time to time determine, accompanied (except in the case where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings from taking place on an open and proper basis.

The Board may (in its absolute discretion and without giving any reason therefore) refuse to register any transfer of a share to a Prohibited Person. If any transferee is a Prohibited Person or the Board otherwise determines that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the Board otherwise determines (in its sole discretion and without being obliged to provide its reasons therefore) that such holding is not in the Company's interest, the Company may direct such transferee to sell his shares to a person who is not a

Prohibited Person within thirty days of the notice of refusal. For the purposes of the foregoing a "**Prohibited Person**" shall mean any person, as determined by the Board, to whom a sale or transfer of shares:

- (i) would be in breach of the laws or requirements of any jurisdiction or governmental authority; or
- (ii) in circumstances (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Board to be relevant) which, in the opinion of the Board, might result in the Company and/or the members as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

#### **4.2.6 Registration of an uncertificated share transfer**

The Directors shall register a transfer of title to any share held in uncertificated form in accordance with the CREST Regulations, except that the Directors may refuse (subject to any relevant requirements applicable the investment exchange to which the shares of the Company are admitted) to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by the CREST Regulations.

#### **4.2.7 Alteration of capital**

The Company may by resolution in general meeting from time to time:

- 4.2.7.1 consolidate all or any of its shares into shares of larger nominal amount;
- 4.2.7.2 redenominate all or any of such shares as shares with a par value denominated in another currency on such basis as the Board sees fit; or
- 4.2.7.3 sub-divide such shares, or any of them, into shares of smaller nominal amount.

Subject to the Companies Act and to any rights for the time being attached to any shares, the Company may by Special Resolution reduce its share capital in any way provided that the Directors are satisfied, on reasonable grounds, that the Company will, immediately after such reduction, satisfy the Solvency Test.

#### **4.2.8 Purchase of own shares**

Subject to the provisions of the Companies Act and to the rights for the time being attached to any shares, the Company may purchase or otherwise acquire its own shares provided that the Company continues to have at least one member at all times. The Company may only purchase or acquire shares issued by the Company:

- 4.2.8.1 pursuant to an offer to all members which, if accepted, would leave the relative rights of the members unaffected and which would afford each member a period of not less than 14 days within which to accept the offer; or
- 4.2.8.2 pursuant to an offer to one or more members to which all members had consented in writing; or
- 4.2.8.3 in the open market pursuant to an offer or offers to one or more members provided that such authority shall have been limited to the repurchase of Ordinary Shares with an aggregate nominal value of not more than 20 per cent of the Ordinary Shares in issue from time to time (rounded down to the nearest whole number), and the authority for such open market buy back shall expire at the first annual general meeting of the Company and may be varied, renewed or revoked by the Company for such periods and otherwise on such terms and conditions as the members may authorise by resolution in successive general meetings thereafter.

The Company can only make a buy-back offer if the Directors pass a resolution stating that in their opinion the offer benefits the remaining members and the terms of the offer are fair and reasonable to the Company and the remaining members. Any such resolution will set out the reason for the Directors' opinion.

The Company may only purchase or otherwise acquire shares pursuant to the buy-back provisions of the Articles if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after the purchase or other acquisition, satisfy the Solvency Test.

Any shares purchased or otherwise acquired by the Company pursuant to the buy-back provisions of the Articles are deemed to be cancelled immediately on acquisition.

#### **4.2.9 Powers and duties of the Board**

The management and control of the business of the Company shall be in and from such place outside the United Kingdom as the Board may determine. Subject to the Companies Act, the Company's memorandum of association and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not.

#### **4.2.10 Appointment of Directors**

4.2.10.1 Subject to the Articles, the Company may by resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board.

4.2.10.2 Unless and until otherwise determined by the Company by resolution, the number of Directors (other than any alternate Directors) shall not be less than two and shall not be greater than ten. A majority of the Directors shall at all times be resident or ordinarily resident outside the United Kingdom.

#### **4.2.11 Directors' Interests**

4.2.11.1.1 Subject to the Companies Act and provided that a disclosure is made in accordance with the Companies Act and the Articles, a Director, notwithstanding his office:

4.2.11.1.2 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

4.2.11.1.3 may be a director or officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and in any such case on such terms as to remuneration and otherwise as the Board may arrange either in addition to or in lieu of any remuneration otherwise permitted under the Articles; and

4.2.11.1.4 shall not, by reason of his office, be liable to account to the Company for any benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate, and no such contract, arrangement, transaction or proposal shall be liable to be avoided on the grounds of any such interest or benefit.

4.2.11.1.5 A Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any contract, arrangement, transaction or proposal whatsoever to which the Company is, or is to be, a party and in which he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of or otherwise through the Company) or a duty which conflicts with the interests of the Company, unless his duty or interest arises only because the resolution relates to one of the following matters (in which case he shall be entitled to vote and count in the quorum):

4.2.11.1.6 the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

4.2.11.1.7 the giving by the Company to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;

4.2.11.1.8 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;

- 4.2.11.1.9 where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- 4.2.11.1.10 relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the UK Companies Act 2006) representing one per cent or more of any class of the equity share capital, or the voting rights, in such company;
- 4.2.11.1.11 relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- 4.2.11.1.12 concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors; or
- 4.2.11.1.13 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure.

#### 4.2.12 **Remuneration of Directors**

- 4.2.12.1 The Directors shall be entitled to receive by way of fees for their services such sum as the Board shall determine. The Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- 4.2.12.2 A Director may hold any other office or place of profit under the Company in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Board may determine. Any salary or remuneration payable may be either a fixed sum of money or as otherwise determined by the Board and may be in addition to or in lieu of any fee paid to him as a Director.
- 4.2.12.3 If by way of arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration as the Board may from time to time determine.

#### 4.2.13 **Retirement and Removal of Directors**

- 4.2.13.1 At each annual general meeting, any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation.
- 4.2.13.2 The Company may by resolution passed at a meeting called for such purpose or by written resolution consented to by members holding at least 75 per cent of the voting rights in relation thereto, remove any Director before the expiration of his period of office and may by resolution appoint another person who is willing to act as a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy provided that the majority of Directors shall at all times be resident or ordinarily resident outside the United Kingdom.
- 4.2.13.3 The Directors may also remove a Director from office and appoint another in his place.

#### 4.2.14 **Dividends**

- 4.2.14.1 The Company may, by a resolution of the Directors, declare and pay a dividend to members at such times and of such amounts as the Directors think fit if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after payment of the dividend, satisfy the Solvency Test. However, no dividend shall exceed the amount recommended by the Board.

- 4.2.14.2 The Board may by resolution declare and pay such interim dividends (including any dividend payable at a fixed rate) at such times and in such amounts as the Directors think fit if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after payment of the dividend, satisfy the Solvency Test.
- 4.2.14.3 Unless otherwise specified in the rights attaching to a share, no dividend or other amount payable to any shareholder shall bear interest against the Company.
- 4.2.14.4 All dividends shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared, or at such other date as the Company by resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- 4.2.14.5 All unclaimed dividends and other amounts payable as aforesaid and unclaimed for 12 months after having become repayable may be invested or otherwise made use of for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 5 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.
- 4.2.14.6 If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for that purpose.
- 4.2.14.7 The Board may with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine, provided that the Company has sufficient shares authorised for issue to give effect to it, offer to any holders of shares the right to receive shares of that class credited as fully paid, in whole or in part in stead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the resolution.
- 4.2.14.8 The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared by the Board may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways.
- 4.2.14.9 Subject to the Articles, the Board may, with the authority of a resolution of the Company, resolve to capitalise any profits of the Company not required for paying a preferential dividend.
- 4.2.15 Distribution of assets on a winding up**
- 4.2.15.1 The Board shall have the power in the name of and on behalf of the Company to present a petition to the court for the Company to be wound up.
- 4.2.15.2 If the Company should be wound up the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is subject to the rights attached to any shares which may be issued on any special terms and conditions.
- 4.2.15.3 If the Company is wound up the liquidator may, with the sanction of a resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 222 of the Isle of Man Companies Act 1931. The liquidator may with the like sanction vest the whole or any part

of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

- 4.2.15.4 A resolution sanctioning a transfer or sale to another company duly passed pursuant to section 222 of the Companies Act 1931 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

#### 4.2.16 **Borrowing**

Subject to the Companies Act the Directors may exercise all and any powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

#### 4.2.17 **Meetings**

- 4.2.17.1 Subject to the provisions of the Companies Act, annual general meetings shall be held at such time and place as the Board may determine; however at least one annual general meeting shall be held in each calendar year and not more than 15 months shall pass from one annual general meeting to the next. The first annual general meeting shall be held within 18 months of the date of the Company's incorporation. All general meetings, other than annual general meetings, shall be called extraordinary general meetings.
- 4.2.17.2 The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 67(2) of the Companies Act) no business shall be transacted except that stated by the requisition or proposed by the Board.
- 4.2.17.3 An annual general meeting shall be convened by not less than 21 clear days' notice in writing and an extraordinary general meeting shall be convened by not less than 14 clear days' notice in writing. The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.
- 4.2.17.4 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum. If within 15 minutes (or such longer interval not exceeding one hour as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.
- 4.2.17.5 At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded in accordance with the Articles.
- 4.2.17.6 Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any

adjournment of it. The Board shall at the expense of the Company send by post or otherwise forms of appointment of proxy (reply-paid or otherwise) with the notice convening any general meeting to members entitled to vote at the meeting.

#### 4.2.18 Application of the City Code

The City Code applies to companies which have their registered offices in the Isle of Man if they are considered by the UK Panel on Takeovers and Mergers (the "Panel") to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. The Articles include provisions which require the shareholders to comply with certain provisions of the City Code as if the City Code applied to the Company. If at any time when the Company is not subject to the City Code, any person (together with any persons held to be acting in concert with him) acquires any shares in the Company and as a result he (whether or not with other persons) would (in the opinion of the Board) have been obliged under the City Code to extend an offer (a "mandatory offer") to the holders of any other shares in the Company had the City Code applied to the Company (such person or persons who would from time to time have been required to have made such an offer being the "mandatory offeror(s)"), and the mandatory offeror(s) fail(s) to make such an offer on terms no less favourable (in the opinion of the Board) to the other shareholders than they would have been obliged to offer under the provisions of the City Code had it applied (a "compliant offer") within 21 days following the date on which the obligation would have arisen, the Board shall be entitled, but not obliged, to suspend with immediate effect, with notification thereof being given to the mandatory offeror(s) or (if different) the registered holders of the shares in the Company in which they have an interest, all voting rights attributable to the shares in the Company in which the Board considers the mandatory offeror(s) from time to time to have an interest. Any such suspension may, at the discretion of the Board extend for any period during which the obligation to make a mandatory offer would have continued to exist under the City Code unless and until a compliant offer is made.

The Board shall have the full authority to determine the application of the foregoing provisions, including as to the deemed application of the whole or any part of the City Code. In circumstances where the provisions of the City Code state that the consent of the Panel is required, the relevant person shall be required to seek consent of the Board and in such respect the Board shall have full authority to exercise all discretion vested in the Panel as if the whole or any part of the City Code applied. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any Director or by the chairman of any meeting acting in good faith in connection with the foregoing shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise, on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in respect thereof. The Board shall have no liability to any shareholder of the Company, any person who has any interest in shares in the Company, or any other person for the manner in which they exercise or refrain from exercising any of the foregoing powers or for any determination which the Board makes as to the application of the foregoing powers to any particular circumstances.

## 5. Directors' and other interests

The interests of the Directors, persons connected with them and persons with an interest of 3% or more in the issued share capital of the Company as at the date of this Document and at Admission are as follows:

### As at the date of the Document

Name	Number of issued Ordinary Shares	% of issued Ordinary Shares
Nirmal Kedia	3,000,000	1.5
Santanu Nandy	14,986,638	7.5
Peter D'Amato	-	-
Graham Cole	-	-
Turnkey	143,750,373	72.1
Richard Feller	24,342,746	12.2

### As at the date of Admission (assuming full subscription under the Offer)

Name	Number of issued Ordinary Shares	% of Enlarged Ordinary Share Capital
Nirmal Kedia	3,000,000	1.5
Santanu Nandy	14,986,638	7.5
Peter D'Amato	-	-
Graham Cole	-	-
Turnkey	143,750,373	71.75
Richard Feller	24,342,746	12.2

Mr Kedia and Mr Nandy are also interested in the 143,750,373 Ordinary Shares held by Turnkey, a company in which Mr Kedia holds a 74% interest (through Kirti Investments, a company wholly owned by him) and Mr Nandy holds a 26% interest.

Neither Mr D'Amato nor Mr Cole nor persons connected with them have any interests in Ordinary Shares; neither will either have any such interests at Admission.

None of the Directors, nor Turnkey, will be subscribing for New Ordinary Shares under the Offer.

## 6. Directors' Service Agreements/Letters of Appointment

6.1 On 27 April 2009, Santanu Nandy entered into a service contract with the Company under the terms of which he agreed to act as Managing Director of the Company for a salary of £102,700 per annum payable monthly in arrears, subject to such deductions as the Company is required by law, to make. A review of the salary shall be at the discretion of the Board. The agreement shall be for an initial fixed period of one year from the Admission and shall be terminable thereafter on not less than six months' notice from either party. Mr Nandy shall be restricted from competing directly with the Company for a period of twelve months after termination of its appointment.

6.2 On 27 April 2009, Peter D'Amato entered into a service contract with the Company under the terms of which he agreed to act as Finance Director of the Company for a salary of \$100,000 per annum, payable monthly in arrears, subject to such deductions as the Company is required by law, to make. A review of the salary shall be at the discretion of the Board. The appointment shall be for an initial fixed period of one year from Admission and shall be terminable thereafter on not less than two months' notice from either party. Mr D'Amato shall be restricted from competing directly with the Company for a period of twelve months after termination of his appointment.

6.3 On 27 April 2009, Nirmal Kedia entered into a letter of appointment with the Company under the terms of which he agreed, subject to Admission, to act as Non-Executive Chairman for a fee of £20,000 per annum, payable monthly in arrears, subject to such deductions as the Company is required by law, to make. A review of the fee shall be at the discretion of the Board. The appointment shall be for an initial fixed period of one year from the Admission and shall be terminable thereafter on not less than three months' notice from either party. Mr Kedia shall be restricted from accepting any appointment which might involve a direct or indirect conflict of interest between the Group and any other duties or interests he may have.

6.4 On 12 April 2009, Graham Cole entered into a letter of appointment with the Company under the terms of which he agreed, subject to Admission, to act as a Non-Executive Director on a part time basis for a fee of £20,000 per annum, payable monthly in arrears, subject to such deductions as the Company is required by law, to make. A review of the fee shall be at the discretion of the Board. The appointment shall be for an initial fixed period of one year from the Admission and shall be terminable thereafter on not less than three months' notice from either party. Mr Cole shall be restricted from accepting any appointment which might involve a direct or indirect conflict of interest between the Group and any other duties or interests he may have.

6.5 Save as disclosed in paragraphs 6.1 to 6.4 above, there are no service contracts or letters of appointment, existing or proposed, between any Director and the Company.

6.6 It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the financial year ending 31 March 2010 will be approximately £202,500 plus expenses.

## 7. Additional information on the Board

7.1 In addition to their directorship of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	Current Directorships/ Partnerships	Past Directorships
Santanu Nandy	Arrowpoint Technologies Pvt Limited Turnkey Software People India Pvt Limited	Novasoft Information Technology Limited
Peter D'Amato	None	None

Nirmal Kedia	Kirti Investments Limited Prescon Builders Pvt Ltd Turnkey Software People India Pvt Limited	Nitin Alloys Global Limited Nitin Castings Limited
Graham Cole	Ashton Penney Holdings Plc Ashton Penney Partnership Limited Ideal Shopping Direct Plc Pharmasmart Limited Recruitment Investment Group Limited Rig Franchising Limited Stagecoach Theatre Arts Plc Thalassa Holdings Limited (Cayman Islands) Vantis Plc	Aproxis Plc Lawnpaper Limited Meldex International Plc NBCC Plc Resource Insurance Group Plc Vantis Corporate Finance Limited

7.2 Graham Cole is a director of Ashton Penney Partnership Limited, in respect of which a winding up order was issued on 28 May 2009 following the compulsory liquidation procedure.

7.3 Save as disclosed in paragraph 7.2 above, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

## 8. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by a member or members of the Group during the two years immediately preceding the date of this Document and are, or may be, material:

8.1 A lease and support agreement ("Lease Agreement") between Lynchval, Richard Feller and Massachusetts Mutual Life Company ("Mass Mutual") dated 1 January 2004 whereby Lynchval leases and licences to Mass Mutual for Mass Mutual's use on a monthly basis during the term of the agreement certain "Hardware Keys" information technology as set out in the agreement to use on computers to operate the relevant system software. The Lease Agreement contains an option for Mass Mutual to purchase certain source codes under the terms of a separate option agreement. The term of the agreement is for thirty six months, after which it is automatically renewed for one year periods unless parties notify otherwise. The agreement is governed by the laws of the Commonwealth of Virginia.

8.2 An option agreement dated 1 January 2004, subsequently amended by a first amendment agreement dated 1 January 2007, between Lynchval, Richard Feller and Mass Mutual as the Option Holder pursuant to the Lease Agreement, whereby the Option Holder is granted an option to purchase a copy of certain source codes and program documentation leased and licenced thereunder upon the occurrence of option certain events. The aggregate price of the option is up to \$4,000,000. The option must be exercised on or before 31 December 2009.

8.3 An acquisition agreement between ATI (as the purchaser), the Company (as corporate guarantor) and Richard Feller (as the seller) dated 25 June 2007 with a closing date of 27 September 2007 ("Closing Date") pursuant to which ATI purchased the entire issued share capital and business of Lynchval and certain licensed software. The purchase price consisted of:

- 8.3.1 US\$3,000,000 cash at the Closing Date;
- 8.3.2 US\$1,000,000 on the first anniversary of the Closing Date;
- 8.3.3 immediately upon its IPO the Company would issue to the seller as non-cash consideration shares with an aggregate value of US\$4,000,000 (based on the initial price per share offered at IPO), provided that if the IPO did not occur within thirty six months of the Closing Date, then ATI would pay the seller on the date thirty six months after the Closing Date US\$4,000,000;
- 8.3.4 the Company would issue to the seller as further non-cash consideration, on the first anniversary of the IPO, shares with an aggregate value of US\$1,000,000 (based on the price per share in such IPO), provided that if such IPO did not occur within thirty six months of the Closing Date, then ATI would pay to the seller on the date thirty six months after the Closing Date US\$1,000,000; and
- 8.3.5 if the IPO did not occur within twelve months of the Closing Date, ATI agreed to pay to the seller, until the earlier of the IPO or thirty six months from the Closing Date, a monthly cash sum equal to the product of (x) US\$5,000,000, times (y) the Interest Rate. The Interest Rate was defined as the quotient of (i) the sum of (x) the Prime Rate of interest as set forth in the Wall Street Journal on the date twelve months after the Closing Date, plus (y) four percent dividend by (ii) twelve.

Under the terms of the acquisition agreement, the Company guaranteed the payment and performance of any and all obligations of ATI. The acquisition agreement is governed by the laws of the State of New York.

The consideration shares referred to in paragraph 8.3.3 above were allotted on 27 April 2009, as described in paragraph 2.5 of this Part V.

8.4 An acquisition agreement between ATI (as the purchaser), the Company (as corporate guarantor), and KeyTech and Ronald V. Divinere, John P Frank Jr, Sandra Frank and Massucci & Associates Technology Consultants, LLC (together as the sellers) dated 4 September 2007, ("Completion") pursuant to which ATI acquired certain assets of KeyTech. The purchase price consisted of:

- 8.4.1 US\$3,000,000 in cash on Completion;
- 8.4.2 US\$1,000,000 in cash within six months of Completion;
- 8.4.3 US\$500,000 in cash within twelve months of Completion;
- 8.4.4 US\$1,000,000 in cash within twenty four months of Completion; and
- 8.4.5 ATI to issue to the seller shares worth US\$2,000,000 on the initial listing date based on fair value equal to the initial listing price of the stock at IPO. If such an IPO does not occur within eighteen months of Completion, the seller has the option of:
  - 8.4.5.1 wait for the issue of such stock provided that such stock shall be worth US\$2,000,000 on the date of transfer and ATI shall pay the seller interest on such US\$2,000,000 of value during the waiting period; or
  - 8.4.5.2 the seller may waive its right to such stock and elect a payment of US\$2,000,000 plus interest.

The Company agreed to provide ATI with a corporate guarantee of up to US\$4,500,000 for its obligations to the sellers, which included a specific guarantee of a promissory note of ATI in the amount of US\$2,500,000 payable to KeyTech. Both the acquisition agreement and guarantee are governed by the laws of the State of New Jersey.

8.5 A one year fixed term professional services agreement between KeyTech and Connecticut General Life Insurance Company dated 19 January 2009, pursuant to which KeyTech agrees to provide consulting services. The agreement is governed by the laws of the Commonwealth of Pennsylvania.

- 8.6 A lease agreement between ATI (as tenant) and Grunberg 280 Trumbull LLC and FGA 280 Trumbull LLC (as landlord) in respect of premises situated at 280 Trumbull Street, Hartford, Connecticut dated April 2008. The lease commenced on 1 May 2008 and is due to end on 30 June 2013. The lease is governed by the laws of the State of New York.
- 8.7 A five year secured term loan agreement dated 12 June 2007 between ATI (as borrower) Exim Bank (as lender) for the facility of US\$5,000,000 for the purpose of part financing the acquisition of Lynchval and KeyTech (the "First Loan"). The terms of the First Loan are governed by Indian law.
- 8.8 A share pledge confirmatory agreement dated 5 December 2007 between the Company, ATI and Exim Bank whereby the Company pledged in favour of Exim Bank the total issued and paid up shares in the capital of ATI as security for the First Loan. The terms of the agreement are governed by Indian law.
- 8.9 A share pledge confirmatory agreement dated 5 December 2007 between Turnkey, the Company and Exim Bank whereby Turnkey pledged in favour of Exim Bank its one Ordinary Share in the capital of the Company as security for the First Loan. The terms of the agreement are governed by Indian law.
- 8.10 A deed of guarantee executed by the Company on 15 August 2007 in favour of Exim Bank as security for the First Loan guaranteeing the obligations of ATI. The terms of the agreement are governed by Indian law.
- 8.11 A power of attorney executed by the Company on 15 August 2007 nominating Exim Bank to be its attorney upon exercise of the power of sale by Exim Bank in the event of enforcement of the security pledge or guarantee. The power of attorney does not state which laws it is governed by.
- 8.12 A five year secured term loan agreement dated 12 June 2007 between the Company (as borrower) and Exim Bank (as lender) for the loan of US\$1,800,000 for the purpose of part financing the acquisition of Lynchval and KeyTech (the "Second Loan"). The terms of the Second Loan are governed by Indian law.
- 8.13 A share pledge confirmatory agreement dated on or around 15 August 2007 between the then sole shareholder of the Company, Turnkey, and Exim Bank whereby Turnkey pledged in favour of Exim Bank its one Ordinary Share in the capital of the Company as security for the Second Loan. The terms of the agreement are governed by Indian Law.
- 8.14 A deed of guarantee executed by ATI on 13 September 2007 in favour of Exim Bank as security for the Second Loan, guaranteeing the obligations of the Company. The terms of the deed are governed by Indian law.
- 8.15 A power of attorney executed by ATI on or around 12 June 2007 nominating Exim Bank to be its attorney upon exercise of the power of sale by Exim Bank in the event of enforcement of the security pledge or guarantee.
- 8.16 An acquisition agreement dated 21 July 2007 whereby the Company purchased ATI from ATPL for the sum of US\$500. Under the terms of the agreement, the Company agreed to lend to the seller an unsecured non interest bearing loan of US\$247,355 so that ATI could repay all of its debt. The agreement is governed by the laws of New Jersey.
- 8.17 An office/warehouse lease between RAF Industries, LLC and Lynchval dated 1 December 2005 for the lease of premises located at 4170 Lafayette Centre Drive, Units 300 and 500, Chantilly, Virginia 20151 until 21 November 2015 at an annual rent of US\$559,246. The lease is governed by the laws of the State of Virginia.
- 8.18 A sublease agreement between Lynchval and Walgreens Home Care, Inc dated 11 April 2006 for the sublease of the premises located at 4170 Lafayette Centre Drive, Units 300 and 500, Chantilly, Virginia 20151 until 30 April 2016 at a monthly rent of US\$12,627.50 for the first year and then increasing by 4% on an annual basis. The sublease is governed by the laws of the State of Virginia.
- 8.19 A sublease agreement between Lynchval and Corbett Technology Solutions, Inc dated 5 April 2007 for the sublease of premises located at 4170 Lafayette Centre Drive, Units 300 and 500, Chantilly, Virginia 20151 until 31 December 2009 at a monthly rent of US\$4,209.17 for the first year and then increasing by 3% on an annual basis. The sublease is governed by the laws of the State of Virginia
- 8.20 A renewal of a lease between ATPL and Sri D Jayavijayan dated 10 March 2007 for the lease of premises located at No 56 Kalaimagalnagar, 3<sup>rd</sup> Main Road, Ekkaduthangal, Chennai, 600 032, India for a period of eleven months with renewal thereafter for periods of eleven months at a monthly rental of Rs152,738 plus a monthly maintenance charge of Rs40,000.

- 8.20 A twelve month fixed term contract/task order between Lynchval and Coty Inc dated 1 October 2008 pursuant to which Lynchval agreed to provide IT services for a fixed fee for the first six months of US\$280,000.
- 8.22 A lock-in agreement dated 5 August 2009 between (1) Turnkey, Santanu Nandy and Nirmal Kedia ("the Shareholders"), (2) the Company and, (3) St Helen's Capital pursuant to which each of the Shareholders have given undertakings to the Company and to St Helen's Capital that, save in certain limited circumstances, they will not dispose of any of the Ordinary Shares (or of any interest therein) held by them and/or by their connected persons for the period of 12 months from the date of Admission. Each of Nirmal Kedia and Santanu Nandy has agreed with St Helen's Capital that certain interests of theirs in Ordinary Shares are to be made available for sale to third parties during the lock in period if ADM considers that sufficient demand exists for those Ordinary Shares.
- 8.23 A lock-in agreement dated 5 August 2009 between (1) Steve Massucci, Daniel Massucci, Kelly Cantillon, John Frank, Sandy Frank and Ronald Divinere ("the Shareholders") (2) the Company, and (3) St Helen's Capital pursuant to which each of the Shareholders have given undertakings to the Company and to St Helen's Capital that, save in certain limited circumstances they will not dispose of any of the Ordinary Shares (or of any interest therein) held by them and/or by their connected persons for the period of 12 months from the date of Admission.
- 8.24 A Corporate Adviser agreement dated 23 March 2009 between (1) the Company, and (2) St Helen's Capital pursuant to which St Helen's Capital has been appointed to act as Corporate Adviser to the Company for the purposes of the Admission. The Company has agreed to pay, conditionally on Admission, a fee of £22,500 (plus VAT) for corporate services provided in connection with the Admission and £18,000 (plus VAT) per annum, monthly in advance by standing order, for its services as Corporate Adviser under the agreement. The agreement contains certain undertakings and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months' written notice.
- 8.25 An agreement dated 5 August 2009 between (1) the Company and (2) St Helen's Capital, supplementary to the agreement summarised in paragraph 8.24 above, pursuant to which St Helen's Capital has agreed to act as the Company's financial adviser in connection with the IPO in return for a fee of £15,000 (plus VAT). The agreement contains similar undertakings and indemnities from the Company as those contained in the agreement referred to above.
- 8.26 A memorandum dated June 2009 of a loan made by Turnkey to the Company in the principal sum of US\$2,574,142. The loan does not bear interest and is repayable on or before (at the election of the Company) 31 December 2010. Turnkey has the right to convert such outstanding amount of the loan into Ordinary Shares at 8 pence per share provided that the Company and the Directors have sufficient relevant share issue authorities to do so. If no such authorities exist, or conversion would exceed their scope, then the conversion would extend to the amount of the relevant authorities in existence at the time, and then from time to time in respect of subsequent conversion or conversions.
- 8.27 A transfer agreement dated 22 May 2009 between the Company, Turnkey, Nirmal Kedia and Santanu Nandy, consequent to a revaluation of the Company, under which Turnkey, Nirmal Kedia and Santanu Nandy agreed to transfer Ordinary Shares (the Additional Shares) to the sellers of Lynchval, the sellers of KeyTech and certain subscribers for shares in the Company. The Company is released and discharged from all claims and demands whatsoever in respect of the Additional Shares. The transfer agreement is governed by the laws of the Isle of Man.
- 8.28 The agreements listed in paragraph 6 of Part V of this Document.

## **9. Litigation**

No member of the Group is currently or has been involved in any legal or arbitration proceedings which may have or have had since its incorporation a significant effect on its financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Group.

## **10. Working capital**

The Directors are of the opinion, having made due and careful enquiry and having taken into account the funds that the Company currently has on deposit and the proceeds of the Offer (assuming that the minimum amount is raised), that following Admission the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from Admission.

## 11. United Kingdom taxation

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of shareholders who are resident (and in the case of individuals, ordinarily resident and domiciled) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. Unless otherwise noted the paragraphs below are based on current UK legislation and HM Revenue and Customs practice. It should be noted that a number of the UK tax treatments referred to below relate to unquoted shares as shares listed on the PLUS market are generally treated as unquoted for these purposes.

An investor should consult his/her own tax professional about the tax consequences of an investment in the shares of the Company.

### The Company

The Company is incorporated outside the UK and it is the intention of the Directors to conduct the affairs of the Company such that the central management and control of the Company is not in the UK and so that the Company does not carry out any business in the UK.

Thus the Company should not be resident in or establish any taxable presence in the UK. On this basis, the Company should not be liable to UK tax on its income or gains other than income deriving from a UK source.

### Taxation of dividends

- (a) Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten percent of the aggregate of the cash dividend and associated tax credit.

Individual shareholders resident, ordinarily resident and domiciled in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend basic rate (10%) or the dividend higher rate (32.5%).

The effect will be that the taxpayers who are otherwise liable to pay at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate tax payers will have an additional liability (after taking into account the tax credit) of 22.5% of the aggregate of the cash dividend and the associated tax credit, or an effective rate of 25% of the dividend actually received. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such individuals.

The UK government has announced proposals to introduce a higher rate of taxation on dividends (42.5%) for individual earnings over £150,000 per annum from 6/4/2010. This would increase the additional tax liability (after taking into account the tax credit) to 32.5% of the aggregate of the cash dividend and the associated tax credit, or an effective rate of 36.1% of the dividend actually received.

- (b) UK resident and ordinarily resident individuals who are not domiciled in the UK will be taxed on dividends paid by the Company, but only if they are remitted to the UK. If remitted to the UK, the tax treatment will follow that outlined in paragraph ("a") above. However, individuals who have been resident in the UK for seven out of the previous ten years are required to pay an annual charge (currently £30,000) if they wish to be taxed on a remittance basis. Otherwise the tax treatment will follow that outlined in paragraph ("a") above.
- (c) UK resident corporate shareholders might be exempt from corporation tax on any dividends received depending on their circumstances.

If exemption is not available, the shareholder will be liable to UK corporation tax on the gross amount of any such dividend, (currently 21-28 per cent depending on the taxable profits of the shareholder).

Credit relief should be available for withholding tax on dividend payments (although this is not at present levied by the Isle of Man Tax Authority) and in the case of shareholders controlling 10 per cent or more of the voting power of the Company, for underlying tax suffered on profits out of which a dividend is paid to the Company by its subsidiaries. Relief would be available against any resulting UK corporation tax liability, up to the amount of that UK tax liability.

- (d) Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 32.5%, but please note that this is due to increase to 42.5% from 6 April 2010.
- (e) Persons who are not resident in the UK should consult their own tax advisers on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

## **Anti-avoidance**

A UK resident corporate shareholder who, together with connected or associated persons, is entitled to at least 25 per cent of the Ordinary Share capital of the Company should note the provisions of the Controlled Foreign Companies legislation contained in Sections 747-756 of the Income and Corporation Taxes Act 1988.

### **Taxation of capital gains made by shareholders**

- (a) A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the company may be liable to capital gains tax in relation thereto at rates of 18% of any chargeable gain thereby realised. The rate of tax may be reduced to an effective tax rate of 10% if the conditions for entrepreneurs relief are met. In computing the chargeable gain, the shareholder should be entitled to deduct from proceeds the cost to him of the shares (together with incidental costs of acquisition and disposal).
- (b) A UK resident corporate shareholder disposing of its shares in the company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 21% - 28% depending on the taxable profits of the shareholder). In computing the chargeable gain liable to corporation tax, the shareholder is entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

In some circumstances, a corporate shareholder may be exempt from corporation tax in relation to its disposal of shares under the substantial shareholding exemption or be able to reduce the quantum of the gain by capital and/or income losses arising to the corporate shareholder.

Inheritance tax

### **Inheritance tax**

The company's shares are treated as unquoted shares for UK inheritance tax (IHT) purposes. Individuals and Trustees subject to IHT may be entitled to business property relief of up to 100% after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

## **12. Isle of Man Taxation**

The statements set out below are intended only as a general guide to certain aspects of current Isle of Man tax law and practice as at the date of this document. The summary does not purport to be a complete analysis of all Isle of Man tax issues for the Company or the holders of Ordinary Shares. Prospective purchasers of the Ordinary Shares are advised to consult their own tax advisers on the taxation consequences of the acquisition, ownership and disposal of Ordinary Shares.

### *Tax residence in the Isle of Man*

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man.

### *Zero rate of corporate income tax in the Isle of Man*

The Isle of Man now operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under the new regime, the Company will technically be subject to taxation on its income in the Isle of Man, but the rate of tax will be zero. There will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

The company will be required to pay a fee of £320 (three hundred and twenty pounds GBP), when lodging its annual return each year. This fee is set by the Isle of Man Government and may be subject to change.

Notwithstanding the zero rate of corporate tax, there are measures in place to ensure that Isle of Man resident shareholders are subject to Isle of Man income tax on their share of attributed profits from a "relevant" company. However, upon the admission of the Company's shares to trading on a recognised stock exchange (which for such purposes includes PLUS-quoted), the Company will obtain the benefit of an exemption from this regime by no longer being classed as "relevant".

### *Capital taxes in the Isle of Man*

There are no capital or stamp taxes in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, Ordinary Shares. The Company is not liable to capital duty in the Isle of Man.

### *Deductions in respect of Isle of Man employees*

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 or national insurance contributions, if applicable, although this is not expected to be relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

### *EU Savings Directive*

Directive 2003/48 of the European Union on the taxation of savings income seeks to bring about the effective taxation of interest payments in a beneficial owner's member state of tax residence through the automatic exchange of information on cross border interest payments to individual beneficial owners. During the transitional period set out in the Directive, three member states (namely Austria, Belgium and Luxembourg) shall not be required to exchange information but shall apply a withholding tax to savings income covered by the Directive. The Isle of Man has entered into agreements with all the EU member states to apply a retention tax during the transitional period in the same manner as the withholding tax under the Directive and, thereafter, to apply automatic exchange of information. These measures now apply in the Isle of Man, but the Directive does not currently extend to dividend payments. From July 2011, the withholding (retention) tax option will be withdrawn in the Isle of Man and information will be exchanged automatically in all cases.

### *Isle of Man probate*

In the event of the death of a sole holder of Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man Government.

## **13. General**

- 13.1. The total costs and expenses relating to the Admission payable by the Company are estimated to amount to approximately £250,000 (including VAT).
- 13.2. St Helen's Capital has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 13.3. Mazars LLP has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 13.4. Other than the current application for Admission to PLUS, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 13.5. The accounting reference date of the Company is 31 March.
- 13.6. The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 13.7. Except as disclosed in Parts I, II and V of this Document, the Directors are not aware of any patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Company's business.

Save as disclosed in sections 6 and 8 of this Part V, no person directly or indirectly (other than the Company's professional advisors and trade suppliers or save as disclosed in this Document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after the Admission (excluding in either case persons who are professional advisors otherwise than as disclosed in this Document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same from the Company at Admission.

### **Availability of Document and Material Contracts**

- 14.1 Copies of this Document are available free of charge from the Company's Corporate Adviser's office at St Helen's Capital Plc, 15 St Helen's Place, London EC3A 6DE, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain so available for at least one month after Admission.
- 14.2 Copies of the material contracts referred to in paragraph 8 above shall be available for inspection on the dates and at the times referred to in paragraph 14.1 above at the offices of Marriott Harrison, Staple Court, 11 Staple Inn Buildings, London WC1V 7QH.

## PART VI

### APPLICATION PROCEDURE

**Before making an application to subscribe for New Ordinary Shares, you are recommended to consult your financial adviser or a person authorised under the FSMA, who specialises in advising on the acquisition of shares and other securities.**

The following instructions should be read in conjunction with the Application Form and the Terms and Conditions of Application set out in this Document

Applications must be for a minimum of 6,500 New Ordinary Shares and thereafter in multiples of 6,500 Ordinary Shares.

Insert in Box 1 (in figures) the number of New Ordinary Shares for which you are applying.

Insert in Box 2 (in figures) the amount of your cheque.

For example, the amount payable for different multiples of New Ordinary Shares available under the Offer is as follows:

Number of Offer Shares	Amount Payable
6,500	£845
13,000	£1,690
26,000	£3,380
39,000	£5,070
52,000	£6,760

Insert your full name and address in BLOCK CAPITALS in Box 3.

Sign and date the Application Form in Box 4.

The Application Form may be signed by another person on your behalf if that person is duly authorised to do so, but the power of attorney (or a copy or copies thereof duly certified by a solicitor) or form(s) of authority must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity must be stated.

You must attach a single cheque in the name of the applicant, to your completed Application Form at Box 5. Your cheque must be made payable to "A/C Arrowpoint Technologies Plc" for the amount payable on your application (inserted in Box 2) and should be crossed "A/C payee only".

A separate cheque with the name of the applicant must accompany each application. No other method of payment is acceptable. No receipt will be issued for this payment. Your cheque must be drawn in sterling and bear a UK bank sorting code.

You may apply jointly with up to three other persons. If you are applying jointly you must arrange for the Application Form to be completed by or on behalf of each joint applicant. Their full names and addresses should be inserted in BLOCK CAPITALS in Box 6.

Box 7 must be signed by or on behalf of each joint applicant (other than the first who should complete Box 3 and sign Box 4).

If you wish to receive the Placing Shares in uncertificated form through CREST, you should complete and return the CREST Settlement Instruction Box 8 ensuring that you complete all the relevant information. Subject to payment in full in accordance with the details set out above, and to the details provided by you being sufficient to allow the CREST system to identify the CREST Participant ID and CREST Member Account ID specified, the New Ordinary Shares comprising your Placing Participation will be credited directly by the Company's Registrars to the CREST account which you specify on the Application Form.

The right is reserved to deliver all of the New Ordinary Shares to which you are entitled in certificated form should the Company or St Helen's Capital consider this to be necessary or desirable.

By completing and returning the Application Form you irrevocably undertake, confirm and agree that:

1. you are not a national or resident of the United States of America (including its territories, its possessions and all areas subject to its jurisdiction) or Canada or Australia or a corporation, partnership or other entity organised under the laws of the United States of America or Canada (or any political sub-division of either) , Australia, Ireland, Japan or South Africa, and that you will not offer, sell or deliver directly or indirectly any of the New Ordinary Shares under the Offer in the United States of America or Canada or Australia, Ireland, Japan or South Africa or to the benefit of any person resident in the United States of America or Canada or Australia, Ireland, Japan or South Africa; and

2. you are entitled to take New Ordinary Shares under the Offer comprised herein under the laws of all relevant jurisdictions which apply to you, and that you have observed such laws and obtained all governmental and other consents which may be required there under and complied with all necessary formalities; and

3. you have read and understand the contents of the Section headed "Risk Factors" in Part II of this Document and confirm that you understand the nature of the risks and that you could lose all your investment in the Company.

Please send the completed Application form by post to:

Computershare Investor Services PLC  
Corporate Actions Projects  
Bristol  
BS99 6AH

## PART VII

### TERMS AND CONDITIONS OF THE OFFER

The Offer will open at 9 am on 6 August 2009. The initial Closing Date is 20 August 2009. The Offer is conditional upon Admission and the Minimum Amount being achieved on or by 25 August 2009 unless extended by the Directors.

Applicants who wish to apply for New Ordinary Shares, must complete the Application Form (in accordance with this Part VII) and return it, together with the appropriate remittance for the full amount payable (by way of cleared funds) on application, by post to the Receiving Agent, so as to arrive as soon as possible but, in any event, no later than 5pm on 20 August 2009. Application Forms received after that time may not be treated as valid. It is recommended that at least three working days are allowed for delivery. Applications will not be acknowledged.

Remittance paid by way of cheque should be crossed "Account Payee only" and made payable to "A/C Arrowpoint Technologies Plc" They must be drawn in sterling on a UK bank account in the name of the Applicant at a branch of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company or a member of either of the committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by either of those companies or those committees (and must bear the appropriate sorting code number in the top right hand corner).

Cheques are liable to be presented for payment upon receipt. It is a term of the Offer that cheques shall be honoured on first presentation. The Company may elect to treat as invalid any application in respect of which a remittance is not so honoured.

Share certificates will be despatched to shareholders within 14 days following Admission. Share certificates and any surplus money will be retained pending clearance of an Applicant's cheque. The Applicant, by completion of the Application Form, forgoes his right to any interest on the subscription monies.

The Board reserves the right to reject any application for New Ordinary Shares. The Board also reserves the right to treat as valid any applications for New Ordinary Shares, which do not fully comply with the application procedure set out herein and/or these terms and conditions. If any application for New Ordinary Shares is not accepted or the Offer lapses, the amount paid on application will be returned within 14 days of such rejection or lapse. All documents and remittances relating to this Offer sent by or to an Applicant are at the Applicant's sole risk. Applications will be considered in order of receipt, save that applications received with post-dated cheques will not be considered until the date of the cheque.

Joint applications are acceptable. All joint Applicants should sign the Application Form and give full names and addresses in block capitals. An Applicant applying on behalf of another person must complete the Application Form in the name of that other person and sign his/her name as attorney and must enclose a power of attorney duly executed. Multiple or suspected multiple applications or any application considered by the Directors to have been made by a nominee are not acceptable.

No person receiving a copy of this Document and/or the Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to him or such form could lawfully be used without contravention of any other legislation or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application hereunder to satisfy himself as to the full observance of the laws and regulations of the relevant territory in connection therewith including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.

By completing and delivering an Application Form to the Receiving Agent the Applicant offers to subscribe for the number of New Ordinary Shares specified in his/her Application Form (or such lesser number for which his/her Application Form is accepted) at the Subscription Price on the terms of and subject to this Document, including these terms and conditions, and the memorandum of association of the Company and the Articles.

The acceptance and basis of allocation of the New Ordinary Shares is in the absolute discretion of the Directors and they reserve the right to reject in whole or in part or to scale down any application including without limitation multiple or suspected multiple applications or any application considered by the Directors to have been made by a nominee. If any application is not accepted, or is accepted for fewer New Ordinary Shares than the number applied for, the application monies or the balance thereof (as the case may be) will be returned by sending the Applicant's cheque, or a crossed cheque in favour of the Applicant in each case by post or by hand and at the risk of the person entitled thereto to the address of the Applicant without interest.

In respect of those New Ordinary Shares for which an application has been received and is not rejected, acceptance of that application shall be constituted by notification of acceptance thereof to the Registrars.

Any monies returnable to the Applicant may be retained by the Registrars pending clearance of his/her remittance and that such monies will not bear interest.

An Applicant must comply with the provisions of the Money Laundering Regulations 2007.

It is a term of the Offer that, to ensure compliance with the UK Money Laundering Regulations 2007, the provisions of the Criminal Justice (Money Laundering) Code 2008 and Part 9 of the Financial Services Rule Book 2008 both of the Isle of Man, the Company is entitled to require, at its absolute discretion, verification of the identity from any person lodging an application form for New Ordinary Shares.

Pending the provision of evidence satisfactory to the Company as to the identity of the Applicant and/or any person on whose behalf the Applicant appears to be acting, the Company may, in its absolute discretion, retain an application form lodged by an Applicant and/or the cheque or other remittance relating thereto and/or not enter the Applicant on the register of members or issue any certificate in respect of New Ordinary Shares allotted to the Applicant.

If, within a reasonable period of time following request for verification of identity and in any case no later than 3pm on the relevant date of allotment, the Company has not received evidence of the identity of the Applicant satisfactory to it, the Company may, at its absolute discretion, reject any such application in which event the remittance submitted in respect of that application will be returned to the Applicant (without prejudice to the rights of the Company to undertake proceedings to cover any loss suffered by it as a result of the failure of the Applicant to produce satisfactory evidence of identity).

By completing and delivering an Application Form to the Registrars and in consideration of the Directors agreeing that they will consider and process applications for the New Ordinary shares, the Applicant, and if he/she signs the Application Form on behalf of somebody else or a corporation, that person or corporation, hereby:

1. warrants that his/her cheque or banker's draft will be honoured on first presentation and agrees that if it is not so honoured he/she will not be entitled to receive a share certificate in respect of the New Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of such shares unless and until payment is made in cleared funds for such shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that the Applicant indemnifies it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of his/her remittance to be honoured on first presentation) and he/she agrees that, at any time prior to the unconditional acceptance by the Company of any such later payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such shares and may allot such shares to some other person, in which case such Applicant will not be entitled to any payment in respect of such New Ordinary Shares other than the refund to him/her at his/her risk of any proceeds of the cheque or banker's draft accompanying his/her application, without interest;

2. warrants that, if he/she signs the Application Form on behalf of somebody else or on behalf of a corporation, he/she has due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertakes to enclose his/her power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

3. confirms that, in making such application, neither the Applicant nor any person on whose behalf he/she is applying is relying on any information or representation in relation to the Company other than the information contained in this Document and accordingly agrees that no person responsible solely or jointly for this document or any part hereof or involved in the preparation hereof shall have any liability for any such information or representation;

4. authorises the Registrars or any person authorised by them, as his/her agent to do all things necessary to effect registration of any New Ordinary Shares subscribed by him/her into his/her name(s) and authorises any representative of the Registrars to execute any document required therefore;

5. agrees that, having had the opportunity to read this Document, he/she shall be deemed to have had notice of all information and representations concerning the Company and the New Ordinary Shares contained herein;

6. agrees on request by the Company or at its discretion on behalf of the Company, to disclose promptly in writing to it, any information which it may reasonably request in connection with his/her application and authorises it to disclose any information relating to his/her application as it considers appropriate;

7. authorises the Company to send a cheque for any moneys returnable to him/her by first class post at his/her risk to the address given overleaf or introducing agent;

8. agrees that his/her application is irrevocable;
9. warrants that if he/she has signed this Application Form on behalf of any other person he/she are due authority to do so, and that such person will also be bound accordingly and be deemed to have given the confirmations, warranties and undertakings contained in this Document;
10. warrants that he/se is not, and is not applying on behalf of a person who is, under the age of 18;
11. warrants that he/she is not connected with the Company and he/she will notify the Directors immediately in writing if he/she becomes so connected as defined in section 291 of the Income and Corporation Taxes Act 1988;
12. warrants that he is not a person in the United States and is not applying on behalf of or with a view to the re-offer, sale, transfer, delivery or distribution to, or for the benefit of, any person within the United States or who is a US person, and will not, as principal or agent, offer, sell, transfer renounce, deliver or distribute, directly or indirectly, any New Ordinary Offer Shares being acquired by him/her to any person within the United States or who is a US person. As used herein "United States" means the United States of America (including the States thereof and the District of Columbia) its territories and possessions and "US person" means any person or entity defined as such in Rule 902(o) under the United States Securities Act of 1933 (as amended), and (xiii) warrants that he/she is not a Canadian person (which expression shall mean any individual resident in Canada, any corporation, partnership or firm organised under or governed by the laws of Canada (or any political sub-division thereof), any branch in Canada of a corporation, partnership or firm incorporated or established outside Canada and any investment fund, estate or trust organised under or governed by the laws of Canada (or any political sub-division thereof)) and is not applying on behalf of, or with a view to the re-offer, sale or transfer to or for the benefit of, any such person;
13. agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with Isle of Man law, and that he/she submits to the exclusive jurisdiction of the Isle of Man Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
14. the Applicant hereby declares that he/she has read, understood and agreed to the terms of this Document Including these terms and conditions and the Risk Factors on pages 20 to 22, Part II of this Document and have taken all the appropriate professional advice which he/she considers necessary before submitting his/her application and that he/she is aware of the special risks involved in participating in an investment of this nature, and he/she understands that his/her application is made upon the all the terms of this Document;
15. the Applicant acknowledges that in relation to the transactions in this Document, the advisers of the Company mentioned herein are acting for the Company and not for the Applicant or on his/her account and that accordingly will not be responsible to the Applicant for providing protections afforded to the Applicant's clients, for advising the Applicant on any transaction described herein, or for ensuring that any such transaction is suitable for the Applicant; and
16. the Applicant agrees that acceptance of an Application Form by the Company will have the meaning set out in this Document unless the context requires otherwise.

**6 August 2009**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**PART VII  
APPLICATION FORM**

**Arrowpoint Technologies Plc**

**Offer for up to 925,000 New Ordinary Shares at 13p per share**

This Application Form should be completed and returned to:

Computershare Investor Services PLC  
Corporate Actions Projects  
Bristol  
BS99 6AH

together with your cheque payable to "Computershare Investor Services PLC a/c Arrowpoint Technologies Plc" and crossed "Not Negotiable" for the amount payable (inserted in Box 2) so as to arrive as soon as possible. The subscription list will open at 9 am on 6 August 2009 and may be closed at any time thereafter but in any event by 20 August 2009, (unless extended by the Directors).

**IMPORTANT:** Before completing this Application Form you should read the above terms and conditions of application and the above notes on how to complete the Application Form. All Applicants must complete Boxes 1 - 7. Your remittance must be attached at Box 5.

Definitions used in the Document shall have the same meaning in this Application Form.

This Application Form is only made available with and as an enclosure to the Admission Document. The entire contents of the section in the Admission Document headed "Terms and Conditions and Procedures for Application" is deemed to be included and set out in this Application Form.

**PLEASE RETURN YOUR COMPLETED APPLICATION FORM BY POST TO COMPUTERSHARE INVESTOR SERVICES PLC, CORPORATE ACTIONS PROJECTS, BRISTOL BS99 6AH**

**THIS FORM MUST ARRIVE NOT LATER THAN 5 PM ON 20 AUGUST 2009**

I/We hereby irrevocably offer to subscribe for fully paid New Ordinary Shares in Arrowpoint Technologies Plc on the terms and subject to the conditions of application set out in the Document of which this Application Form is part and the Memorandum and Articles of the Company.	BOX 1
---	----------

And I/We attach a cheque for the amount payable, namely £	BOX 2
---	----------

**PLEASE USE BLOCK CAPITALS**

Mr/Mrs/Miss or Title	Forename (s) (in full)	Surname	BOX 3
Address (in full)		Tel:	
Postcode			
Date of birth:			

I confirm that I have read "Risk Factors" in Part II of this Document and "Terms and Conditions" in Part VI of this Document.

Signature	Date	2009	BOX 4
-----------	------	------	----------

Please attach your cheque or bankers draft for the amount shown in Box 2 made payable to "Computershare Investor Services PLC a/c Arrowpoint Technologies Plc"	BOX 5
--	----------

Boxes 6 and 7 must be completed in the case of joint applicants only.

Mr/Mrs/Miss or Title	Mr/Mrs/Miss or Title	Mr/Mrs/Miss or Title	BOX 6
Name (s) in full	Name (s) in full	Name (s) in full	
Address in full	Address in full	Address in full	
Postcode	Postcode	Postcode	
Signature	Signature	Signature	BOX 7

If you wish to receive the New Ordinary Shares available under the Offer in uncertificated form through CREST, you should complete and return the CREST Settlement Instruction below ensuring that you complete all the relevant information. Subject to payment in full in accordance with the details set out above, and to the details provided by you being sufficient to allow the CREST system to identify the CREST Participant ID and CREST Member Account ID specified, the New Ordinary Shares available under the Offer comprising will be credited directly by the Company's Registrars to the CREST account which you specify in Box 8.

CREST Participant ID:	BOX 8
CREST Member Account ID:	
Participant Name:	
Contact Name:	
Telephone Number:	
Fax Number:	
Account Name:	

I/We authorise /I /We do not authorise (delete whichever is inapplicable) the Company or its advisers to contact me by telephone in connection with any queries arising on my application.

If you have any queries relating to the completion of this Application Form, please contact Computershare Investor Services PLC on 0870 703 6038 .