

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

7 August 2009

**Offer by**

**THE CONYGAR INVESTMENT COMPANY PLC**

**for the whole of the issued and to be issued share capital of**

**THE ADVANTAGE PROPERTY INCOME TRUST LIMITED**

**Offer Summary**

- The Board of Conygar is pleased to announce an offer to be made by Conygar to acquire the entire issued and to be issued share capital of TAP not already owned by Conygar at the date of the Offer.
- The Offer will be made on the following basis. At the option of TAP Shareholders:
  - (a) one New Conygar Share for every five TAP Shares held at the date of the Offer; or
  - (b) one Conygar Preference Share for each TAP Share held at the date of the Offer, redeemable on 31 December 2011 at 25 pence and convertible at any stage at the option of the holder into one Conygar Share for every five Conygar Preference Shares; or
  - (c) 15 pence in cash per TAP Share held at the date of the Offer.
- The Ordinary Share Offer values each TAP Share at 20.2 pence and values the entire issued share capital of TAP at approximately £28.8 million, based on the Closing Price of 101 pence of a Conygar Share on 6 August 2009, being the last Business Day prior to the date of this Announcement, and represents:
  - a premium of approximately 17.1 per cent. to the Closing Price of 17.25 pence per TAP Share on 6 August 2009, being the last Business Day prior to the date of this Announcement;
  - a premium of approximately 5.8 per cent. to the average closing price of 19.1 pence per TAP Share for the three month period to 6 August 2009;
  - a premium of approximately 15.4 per cent. to the average closing price of 17.5 pence per TAP Share for the six month period to 6 August 2009; and
  - a discount of approximately 1.5 per cent. to the Closing Price of 20.5 pence per TAP Share on 28 May 2009, being the last Business Day prior to the commencement of the Offer Period.
- The Offer will be conditional, *inter alia*, on Conygar receiving such number of valid acceptances which, together with any other TAP Shares held or acquired by Conygar, represents over 50 per cent. of TAP's issued share capital and will be subject to the conditions and terms set out in Appendix I together with certain further terms contained within the Offer Documentation.
- Conygar has received an irrevocable commitment and letters of intent to accept the Offer in respect of approximately 33.7 million TAP Shares, representing approximately 23.6 per cent. of the existing issued share capital of TAP. These shares, when taken together with the TAP Shares already held by Conygar, represent approximately 52.5 per cent. of TAP's current issued share capital, which is in excess of the acceptance condition set for the Offer.
- The rationale for the Offer is that the Board has been concerned at the pace at which it believes the financial difficulties created by the current economic downturn have been dealt with by TAP, in particular against the background of a 34.7 per cent. fall in TAP's net asset value between 31 December 2008 and 30 June 2009.
- In addition, the Board believes that Conygar's resources, industry expertise and active and direct management style will benefit shareholders in the Enlarged Group through:

- an increased focus upon the need to conserve cash flow and repay high debt levels;
  - more active asset management and an accelerated disposal programme;
  - cutting property outgoings and other overheads, which stood at £3.9 million (including £1.7 million paid to TAP's property fund adviser) in the year ended 31 December 2008, to a more appropriate level; and
  - a reduction in reliance upon external advisers for core strategic and financial matters.
- The acquisition of TAP by Conygar is a reverse takeover under the AIM Rules for Companies and is therefore subject to the approval of Conygar Shareholders at the General Meeting of Conygar.
  - The Offer Documentation, containing the full terms of the Offer, will be posted with the Equivalent Information Document to TAP Shareholders as soon as possible after, and in any event within 28 days of, the date of this Announcement (unless agreed otherwise with the Panel).

Robert Ware, Chief Executive of Conygar, said, "We believe that the terms of the Offer are attractive for TAP's shareholders, providing them with the benefit of Conygar's financial strength and operational expertise given TAP's leveraged position and the uncertain times ahead for the commercial property market. We believe that the acquisition of TAP will be an excellent strategic fit for Conygar and our core skills and financial strength will enable us to maximise the opportunity and enhance value for shareholders in the Enlarged Group going forward."

### **Enquiries**

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A copy of this Announcement will shortly be available on the Company's website: [www.conygar.com](http://www.conygar.com) (subject to certain restrictions in respect of persons resident in Restricted Jurisdictions).

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices) set out below. Appendix I sets out the conditions and certain terms of the Offer. Appendix II contains the sources and bases of certain information and Appendix III contains definitions of certain terms used in this summary and this Announcement.

### **Overseas Shareholders**

The availability of the Offer to TAP Shareholders not resident in or citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are citizens or in which they are resident or ordinarily resident. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of any such relevant jurisdiction.

In particular, the Offer will not be made, directly or indirectly, in, into or from or by the use of the mails of or any means or instrumentality (including, without limitation, by means of facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, or in any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer, when made, will not be capable of acceptance by any such use, means, instrumentality or facility from or within any Restricted Jurisdiction where to do so would constitute a breach of any relevant securities laws of that Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Conygar will retain the right to permit the Offer to be accepted and any sale of any securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Further information in relation to overseas TAP Shareholders will be set out in the Offer Documentation and in the Equivalent Information Document.

**NEITHER THIS SUMMARY NOR THE FULL TEXT OF THIS ANNOUNCEMENT CONSTITUTES OR FORMS PART OF AN OFFER, OR ANY SOLICITATION OF AN OFFER, OR AN INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES. THE OFFER WILL BE MADE SOLELY BY THE OFFER DOCUMENTATION AND THE EQUIVALENT INFORMATION DOCUMENT, WHICH TOGETHER WILL CONTAIN THE FULL TERMS AND CONDITIONS OF THE OFFER, INCLUDING DETAILS OF HOW THE OFFER MAY BE ACCEPTED.**

Oriel Securities, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Conygar and no one else in connection with the Offer and will not be responsible to anyone other than Conygar for providing the protections afforded to customers of Oriel Securities or for providing advice in relation to the Offer or any other matter referred to herein.

### **Forward Looking Statements**

*This Announcement may contain “forward-looking statements” concerning Conygar and TAP. Generally, the words “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project”, “should” and similar expressions identify forward-looking statements. Such statements reflect the relevant company’s current views with respect to future events and are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies’ abilities to control or estimate precisely, such as changes in general economic and business conditions, changes in currency exchange rates and interest rates, lack of acceptance of new exchange rates and interest rates, introduction of competing products or services, lack of acceptance of new products or services, changes in business strategy and the behaviour of other market participants and therefore undue reliance should not be placed on such statements. Conygar does not intend or assume any obligation to update these forward-looking statements other than as required by law or regulation.*

### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Takeover Code (the “Code”), if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Conygar or TAP, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Conygar or TAP, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Conygar or TAP by Conygar or TAP, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

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7 August 2009

**Offer by**

**THE CONYGAR INVESTMENT COMPANY PLC**

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**THE ADVANTAGE PROPERTY INCOME TRUST LIMITED**

## **1. Introduction**

The Board of Conygar is pleased to announce an offer to be made by Conygar to acquire the entire issued and to be issued share capital of TAP not already owned by Conygar at the date of the Offer. This announcement sets out the key terms of the Offer as well as the background to, reasons for and other information relating to the Offer.

The Board of Conygar believes that the terms of the Offer are attractive for TAP Shareholders, having identified a number of areas where it believes the management and operational expertise and financial strength of Conygar could add value to the business of TAP, especially given TAP's leveraged position and the uncertain times ahead for the commercial property market, for the benefit of all shareholders in the Enlarged Group.

Conygar has received an irrevocable commitment and letters of intent to accept the Offer in respect of approximately 33.7 million TAP Shares, representing approximately 23.6 per cent. of the existing issued share capital of TAP. Further details of this irrevocable commitment and letters of intent are set out below. These shares, when taken together with the TAP Shares already held by Conygar, represent approximately 52.5 per cent. of TAP's current issued share capital, which is in excess of the acceptance condition set for the Offer.

In addition, the Acquisition constitutes a reverse takeover under the AIM Rules for Companies and is therefore subject to the approval of Conygar Shareholders at the General Meeting.

## **2. Summary Terms of the Offer**

The Offer, which will be made on the terms and subject to the conditions set out in Appendix I, which (together with certain further terms) will also be set out in the Offer Documentation, will be made on the following basis:

At the option of the TAP Shareholders:

- (a) one New Conygar Share for every five TAP Shares held at the date of the Offer; or
- (b) one Conygar Preference Share for each TAP Share held at the date of the Offer, redeemable on 31 December 2011 at 25 pence and convertible at any stage at the option of the holder into one Conygar Share for every five Conygar Preference Shares; or
- (c) 15 pence in cash per TAP Share held at the date of the Offer.

The Ordinary Share Offer values each TAP Share at 20.2 pence and values the entire issued share capital of TAP at approximately £28.8 million, based on the Closing Price of 101 pence of a Conygar Share on 6 August 2009, being the last Business Day prior to the date of this Announcement, and represents:

- a premium of approximately 17.1 per cent. to the Closing Price of 17.25 pence per TAP Share on 6 August 2009, being the last Business Day prior to the date of this Announcement;
- a premium of approximately 5.8 per cent. to the average closing price of 19.1 pence per TAP Share for the three month period to 6 August 2009;
- a premium of approximately 15.4 per cent. to the average closing price of 17.5 pence per TAP Share for the six month period to 6 August 2009; and
- a discount of approximately 1.5 per cent. to the Closing Price of 20.5 pence per TAP Share on 28 May 2009, being the last Business Day prior to the commencement of the Offer Period.

An estimate of the value of the Conygar Preference Shares, as required for the purposes of Rule 24.10 of the Code, will be contained in the Offer Document.

Fractional entitlements to New Conygar Shares will not be issued. However, TAP Shareholders will receive, in lieu of a fraction of a New Conygar Share, a cash payment equal to 15 pence per TAP Share that gives rise to a fractional entitlement.

New Conygar Shares issued pursuant to the Ordinary Share Offer will rank *pari passu* in all respects with Existing Conygar Shares.

Conygar Preference Shares issued pursuant to the Preference Share Alternative will, subject to the provisions of the Acts, be redeemed by the Company on 31 December 2011 at a redemption price of 25 pence for each Conygar Preference Share redeemed. In addition, each holder of Conygar Preference Shares will be entitled at any time at the option of the holder to convert the maximum number of the Conygar Preference Shares held by such holder as is exactly divisible by five into Conygar Shares on the basis of one Conygar Share for every five Conygar Preference Shares. Conygar Preference Shares will carry no rights to participate in any dividend or other distribution nor to receive notice of, nor any right to attend and vote at, general meetings of the Company. Further details of the rights attached to the Conygar Preference Shares will be set out in the Offer Document.

The TAP Shares which are the subject of the Offer will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances and third party rights and together with all rights now or hereafter attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid after the date of the Offer.

The Offer is being made in accordance with the requirements of the City Code and is subject to the conditions and terms set out in Appendix I (together with certain further terms which will be set out in the Offer Documentation).

Full acceptance of the Offer by TAP Shareholders will result in the issue of 20,299,460 New Conygar Shares, representing approximately 32.8 per cent. of the Enlarged Share Capital, with Existing Conygar Shareholders holding approximately 67.2 per cent. of the Enlarged Share Capital. These figures assume that all TAP Shareholders accept the Ordinary Share Offer in full, there is no variation to the terms of the Offer and no further TAP Shares and/or Conygar Shares are issued prior to the Offer becoming unconditional in all respects. These figures do not take into account the fact that the terms of the irrevocable commitment referred to in paragraph 11 of this Announcement commit Maple Lodge to accept the Preference Share Alternative in respect of all 28,705,743 TAP Shares to which such commitment relates. If these shares were excluded from the assumption that TAP Shareholders accept the Ordinary Share Offer in full, then full acceptance of the Ordinary Share Offer by TAP Shareholders, other than Maple Lodge (and assuming that Maple Lodge does not exercise its right to convert the Conygar Preference Shares it receives pursuant to the Offer into Conygar Shares) would result in the issue of 14,558,311 New Conygar Shares, representing approximately 25.9 per cent. of the Enlarged Share Capital, with Existing Conygar Shareholders holding approximately 74.1 per cent. of the Enlarged Share Capital, in each case based on the other assumptions referred to above.

If all TAP Shareholders accept the Cash Alternative in full then the cash consideration payable by Conygar in respect of the Offer will be £15,224,595 on the assumption that no further TAP Shares are issued prior to the Offer becoming or being declared unconditional in all respects. If Maple Lodge accepts the Preference Share Alternative, as it is committed to do by the terms of the irrevocable commitment to accept the offer that it has given, then the cash consideration payable by Conygar in respect of the Offer will be approximately £10,918,734 if all other TAP Shareholders accept the Cash Alternative in full.

The Existing Conygar Shares are admitted to trading on AIM. As the Acquisition constitutes a reverse takeover for the purposes of the AIM Rules for Companies, the Company is required to apply for admission to trading on AIM of the Enlarged Share Capital. The New Conygar Shares will, on admission, rank *pari passu* in all respects with the Existing Conygar Shares including in respect of dividends declared, made or paid on or after the date of Admission. The Conygar Preference Shares will have rights attaching to them as set out in the Offer Document and the Equivalent Information Document. No application will be made for the Conygar Preference Shares to be admitted to trading on AIM (or the Official List or to any other stock exchange).

### **3. Background to and reasons for the Offer**

The Board has been concerned at the pace at which it believes the financial concerns created by the current economic downturn have been dealt with by TAP, in particular against the background of a 34.7 per cent. fall in TAP's net asset value between 31 December 2008 and 30 June 2009, and it has identified a number of areas where it believes the management expertise and financial strength of Conygar could add value to TAP's business for the benefit of all shareholders in the Enlarged Group. Since Conygar became the largest shareholder of TAP, the board of TAP has suspended its dividend and announced the disposal of properties for a total of £10.7

million, the proceeds of which have been applied towards repayment of debt. The Board believes that these actions should have been instigated with greater urgency some time ago.

In addition, the Board believes that Conygar's resources, industry expertise and active and direct management style will benefit shareholders in the Enlarged Group through:

- an increased focus upon the need to conserve cash flow and repay high debt levels;
- more active asset management and an accelerated disposal programme;
- cutting property outgoings and other overheads, which stood at £3.9 million (including £1.7 million paid to TAP's property fund adviser) in the year ended 31 December 2008, to a more appropriate level; and
- a reduction in reliance upon external advisers for core strategic and financial matters.

At present the Board believes that TAP has limited surplus financial resources available, with its focus principally on ensuring ongoing financial stability through the repayment of debt and property disposals in a difficult market. The Directors intend that, as part of the Enlarged Group, appropriate funds will be made available to add value to existing TAP assets and, potentially, to pursue other acquisition opportunities.

In the longer term, the Board believes that a properly financed TAP business internally managed by Conygar should produce significant positive cash flows and be well positioned to take advantage of other expansion opportunities not presently available, for the benefit of all shareholders in the Enlarged Group.

The Board believes that TAP Shareholders would benefit from accepting the Offer rather than facing an uncertain future as TAP continues to address its debt position during the uncertain times ahead for the commercial property market. In particular, as shareholders in the Enlarged Group, TAP Shareholders accepting the Ordinary Share Offer (or, in time, converting Conygar Preference Shares into Conygar Shares) will have the opportunity to participate in all benefits currently expected by the Board to be created by the Acquisition.

#### **4. Strategy for the Enlarged Group**

On Admission, the Company will be the holding company of the Enlarged Group. The principal business and strategy of the Company will remain unchanged as at Admission. The Directors consider the acquisition of TAP as a continuation of the Company's strategy of identifying under-valued assets which the Directors believe would benefit from the Company's management and financial expertise. The Directors envisage that the Enlarged Group will continue to act as a property trading and development group dealing primarily in UK property and will continue to invest in property assets and companies that own property assets where the Directors believe an opportunity to create value for Shareholders has been identified. The Directors currently intend that the other activities of the Enlarged Group, such as the marina development projects, will not be affected by the acquisition of TAP.

TAP is expected to continue as a separate legal entity within the Enlarged Group, and is expected to retain its own financing structure and remain resident for taxation purposes in the Channel Islands until such time as the Company decides otherwise.

In the short term, having regard to the present difficult economic outlook, Conygar intends to take steps to conserve cash flow in TAP. In particular, it intends to review the scale of TAP's reliance on third party advisers and the associated costs and overheads are expected to be reduced. Conygar also intends to seek to accelerate the pace and quantum of asset disposals by TAP with a view to strengthening the balance sheet of TAP. The Directors intend that Conygar will make further funding available in order to develop TAP's business, for expansion and to take advantage of any development opportunities that may arise or already exist within TAP for the benefit of the Enlarged Group's shareholders.

#### **5. Information on TAP**

*The information in this Announcement concerning TAP has been extracted and sourced from publicly available information.*

TAP is a Guernsey incorporated property investment company focused on investment in a portfolio of income-producing commercial property in the UK and the Channel Islands. It was formed in June 2004 and its shares are listed on the Official List and CISX.

The investment objective of TAP is stated as being "to provide shareholders with an attractive level of income, together with the potential for income and capital growth derived from investment in TAP's diversified portfolio of commercial property in the United Kingdom and the Channel Islands."

TAP's accounts for the year ended 31 December 2008 showed net assets of £80.9 million and bank debt of £111.8 million, equivalent to 56.9 per cent. of gross property assets. The net loss for the year amounted to £50.6 million.

The unaudited net asset value of TAP as at 31 March 2009 was £66.1 million. This represented an 18.3 per cent. fall in the three months since 31 December 2008. Bank debt remained at £111.8 million, equivalent to 61.9 per cent. of gross property assets.

TAP recently renegotiated the terms of its revolving bank facility with the Bank of Scotland. The amendment provides for revised margins and the loan to value covenant was increased to 70 per cent. As part of this renegotiation, the overall facility was reduced from £98.3 million to £78.0 million.

The total value of all TAP's property assets as at 31 March 2009 was £180.6 million spread across 70 properties with an average lot size of £2.58 million. Average lease length as at such date was 6.41 years and total void rate 11.4 per cent. Annualised income return at 31 March 2009 amounted to 7.7 per cent. and net initial yield 8.02 per cent.

On 19 May 2009, the board of directors of TAP announced that the dividend would be temporarily suspended having concluded that, in the prevailing economic and commercial climate, certainty of compliance with debt covenants has a more beneficial effect on investor sentiment than the absolute level of dividends paid in a single financial period.

On 3 June 2009, the board of directors of TAP announced that it was in the process of completing a number of initiatives in respect of capital and income projects upon which it expected to be able to report to shareholders shortly.

On 7 July 2009, the board of directors of TAP announced the disposal of six of its investment properties, comprising two industrial properties, three retail warehouses and one retail complex, for a total of £10.7 million at an average of 8.5 per cent. below the 31 March 2009 valuation, and stated that receipts from such disposals would be used towards the reduction of bank debt.

On 28 July 2009, the board of directors of TAP announced that the unaudited net asset value of TAP as at 30 June 2009 was £52.8 million or 37 pence per share, representing a decline of 20.1 per cent. in the three months since 31 March 2009 and a decline of 34.7 per cent. in the six months since 31 December 2008. The ten largest properties in the portfolio account for 43.49 per cent. of the portfolio by value and no single asset accounted for more than 5.65 per cent. of the total. The portfolio was broken down as offices 39.6 per cent., industrial 20.9 per cent., retail 34.7 per cent. and leisure 4.8 per cent. The largest tenant was Halfords Limited which accounted for 11.8 per cent. of the rental income. No other tenant accounted for more than 5.2 per cent. of rental income.

## **6. Information on Conygar**

Conygar is a property trading and development group dealing primarily in UK property. The Group aims to acquire property assets and companies that own significant property assets where it can add significant value using property management, development and transaction structuring skills. Conygar was formed in September 2003 by its current directors and the Conygar Shares were admitted to trading on AIM in October 2003 raising approximately £4.4 million. Subsequent share placings have raised a further £55.7 million.

### ***Principal Interests***

Excluding its 28.9 per cent. shareholding in TAP, Conygar currently has the following principal interests:

#### ***Buckingham Street portfolio***

The Company has four properties remaining in its Buckingham Street, London, WC2, portfolio of which contracts were exchanged for the sale of two in April 2009 for a combined sale price of £4.25 million. Completion in respect of these disposals is expected to occur by 30 September 2009. The remaining two properties at Buckingham Street continue to be marketed for sale, and in the meantime, they have a current annual rent roll of approximately £0.9 million before costs.

#### ***Pembroke Dock Waterfront Development***

In 2008, Conygar obtained approval for the planning application in respect of the Pembroke Waterfront development. This waterfront development is expected to create a 260 berth marina, 146 houses, 304 apartments with associated leisure and retail facilities. Originally a joint venture with local Welsh based developers and the construction group, Vinci, the Company acquired the minority interests in 2008 and now owns 100 per cent. of the development. Work is continuing on the various detailed legal and planning matters.

### ***Fishguard Waterfront Development***

In December 2008, Conygar announced that it had acquired the rights to develop a marina at Fishguard Waterfront in West Wales. The Company is progressing plans, with agreement from the Crown Estate, for a 450 berth marina for which Pembrokeshire County Council has already resolved to grant planning consent. These proposals include a mixed use supporting development and a potential joint venture with Stena Line Ports Limited to provide it with improved port facilities and the re-development of its surplus non-operational land. Negotiations and work on the detailed plans of this regeneration project are progressing.

### ***Holyhead Waterfront Development***

This is a joint venture with Stena Line Ports Limited to develop some half a mile of water frontage at Holyhead, Anglesey. The Company strategy is to develop a mixed use scheme incorporating residential, leisure, tourist and retail facilities together with a marina development with associated commercial and marine engineering elements. The joint venture has accumulated all of the land necessary for the development and work is progressing on designs and the planning application. This is a complex and large regeneration scheme which has the support of the various local government bodies and the Welsh Assembly Government.

### ***Results of Operations***

Conygar's audited consolidated results for the year ended 30 September 2008 showed net assets of £68.2 million, including cash of £38.3 million and no debt. Net asset value per share was 164 pence of which 92 pence was represented by cash. The consolidated loss before taxation for the year was £103,000, the results being adversely impacted by a £2,477,000 write-down of property inventory to net realisable value.

Conygar's consolidated results for the six months ended 31 March 2009 showed unaudited net assets of £66.9 million including cash of £32.6 million and no debt. Unaudited net asset value per share was 161 pence of which 77 pence represented cash. The consolidated unaudited loss before taxation for the six months was £2,331,000 of which £3,200,000 arose from a write-down of property inventory to net realisable value.

### ***Strategy***

The strategy for Conygar remains to:

1. seek further value opportunities throughout in all the property sectors, including ports and marinas;
2. continue the realisation of the Buckingham Street trading assets; and
3. finalise legal and planning matters on Pembroke Dock Waterfront, and submit planning applications for the Holyhead and Fishguard Waterfront developments.

The Directors do not currently intend to issue further equity securities in the Company, other than in respect of the Acquisition, or to incur or guarantee indebtedness as part of Conygar's investments. As a general policy, Company investments have been financed using non-recourse debt specific to a particular project. However, the Directors reserve the right to change this policy if they believe it to be in the best interests of the Company.

### **7. Management and Employees**

If the Offer becomes or is declared unconditional, in all respects, it is envisaged that TAP will be managed on a day to day basis by Conygar under a new arm's length management contract. A new board of directors of TAP will be appointed including Robert Ware and Peter Batchelor, who are the chief executive and finance director of Conygar. The Board believes that TAP currently has no employees and this is not expected to change following the Offer. The employment rights of any employees of TAP that may exist will be fully safeguarded.

### **8. Compulsory acquisition and cancellation of trading on AIM**

If the Offer becomes or is declared unconditional in all respects and if sufficient acceptances are received, Conygar intends to apply the provisions of sections 336 to 340 (inclusive) of the Companies (Guernsey) Law 2008 to acquire compulsorily any remaining TAP Shares.

In addition, subject to the conditions of the Offer having been satisfied or (if capable of waiver) waived and subject to any applicable legal or regulatory requirements, Conygar intends to procure that TAP applies to the FSA for the cancellation of the listing of TAP Shares on the Official List and to the London Stock Exchange for the cancellation of the admission to trading of TAP Shares on the London Stock Exchange's main market for listed securities and to CISX for the cancellation of the listing and admission to trading of TAP shares on CISX. It is anticipated that should such an application be made, cancellation of TAP's listing and admission to trading will

take effect either: (i) no earlier than 20 Business Days after Conygar announces that all conditions to the Offer have been satisfied or (if capable of waiver) waived and that it has, by virtue of its shareholdings in TAP and valid acceptances of the Offer, acquired or agreed to acquire TAP Shares carrying at least 75 per cent. of the voting rights of TAP or (ii) no earlier than 20 Business Days after TAP Shareholders approve the cancellation in general meeting in the event that Conygar announces that all conditions to the Offer have been satisfied or (if capable of waiver) waived and procures a general meeting of TAP Shareholders to be held for the purpose of approving a resolution for such cancellation.

**The cancellation of the listing and admission to trading of TAP Shares on the Official List, the London Stock Exchange and CISX will significantly reduce the liquidity and marketability of TAP Shares that are not acquired under the Offer and their value may be materially and adversely affected as a consequence.**

## 9. Conygar Shareholder Approval

The Offer is conditional, *inter alia*, on the approval by Conygar Shareholders of the Acquisition, which will be sought at the General Meeting. At the General Meeting, Conygar Shareholders will also be requested to approve: the increase in Conygar's authorised share capital by the creation of a new class of shares (the Conygar Preference Shares) and the creation of an additional 40,000,000 Conygar Shares; the grant of a power of allotment to the Directors in respect of the increased authorised share capital of the Company and the disapplication of pre-emption rights in respect of such allotments and the adoption of new articles of association of Conygar which set out the rights attaching to the Conygar Preference Shares.

## 10. Funding

The Cash Alternative will be funded from Conygar's existing cash resources. Oriel Securities is satisfied that sufficient financial resources are available to Conygar to satisfy full acceptance of the Cash Alternative payable by Conygar pursuant to the Offer.

## 11. Irrevocable commitment and letters of intent

Conygar has received an irrevocable commitment and letters of intent from TAP Shareholders to accept the Offer. Such irrevocable commitment and letters of intent are in respect of the following TAP Shares:

TAP Shareholder	Number of TAP Shares	Percentage of existing issued TAP Shares (approx)
<b>(*) indicates letter of intent</b>		
Maple Lodge	28,705,743	20.1%
Gartmore Investment Limited*	3,625,000	2.5%
Laxey Partners Ltd*	1,409,382	1.0%

The irrevocable commitment set out above, which also commits Maple Lodge to accept the Preference Share Alternative, will continue to be binding in the event that the Offer is implemented by way of a scheme of arrangement and in the event of a higher competing offer for TAP. The irrevocable commitment will cease to be binding if the Offer has not become or been declared unconditional by 31 December 2009.

Laxey Partners Ltd and Gartmore Investment Limited, who have signed letters of intent to accept the Offer as set out above, are also 10.9 per cent. and 8.6 per cent. shareholders respectively in Conygar. These shares, when taken together with the Conygar Shares already held by the Board of Conygar, would represent approximately 29.2 per cent. of Conygar's current issued share capital.

Conygar holds 41,250,000 TAP Shares, representing approximately 28.9 per cent. of TAP's issued share capital as at the date of this Announcement. Accordingly, Conygar either owns or has received irrevocable commitments or letters of intent to accept the Offer in respect of approximately 75 million TAP Shares, representing approximately 52.5 per cent. of the issued share capital of TAP as at the date of this Announcement. The Offer is conditional, *inter alia*, on Conygar receiving such number of valid acceptances in respect of the Offer which represents, together with any TAP Shares held or acquired by Conygar, over 50 per cent. of TAP's issued share capital.

For the purposes of Note 14(d) to Rule 8 of the City Code, the value (and other material terms) of the Offer in respect of which the above irrevocable commitment and letters of intent have been procured are those of the Offer.

## 12. Disclosure in accordance with Rule 2.10 of the City Code

Conygar has 41,647,906 ordinary shares of 5p each in issue as at the date of this Announcement, with ISIN GB033698720.

### 13. General

The Offer Documentation, containing the full terms of the Offer, will be posted with the Equivalent Information Document to TAP Shareholders as soon as possible after, and in any event within 28 days of, the date of this Announcement (unless agreed otherwise with the Panel).

A copy of this Announcement will shortly be available on the Company's website: [www.conygar.com](http://www.conygar.com) (subject to certain restrictions in respect of persons resident in overseas jurisdictions).

The conditions and certain terms of the Offer are set out in Appendix I and, together with further terms of the Offer, will also be set out in full in the Offer Documentation. In deciding whether to accept the Offer, TAP Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Documentation.

Save as described above none of Conygar, any of the Directors, their immediate families or related trusts or, so far as Conygar is aware, any party acting in concert with Conygar, has any interest in or right to subscribe in respect of any relevant securities of TAP or has any short positions in respect of relevant securities of TAP or has borrowed or lent any relevant security of TAP.

#### ***Overseas Shareholders***

The availability of the Offer to TAP Shareholders not resident in or citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are citizens or in which they are resident or ordinarily resident. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of any such relevant jurisdiction.

In particular, the Offer will not be made, directly or indirectly, in, into or from or by the use of the mails of or any means or instrumentality (including, without limitation, by means of facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, or in any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer, when made, will not be capable of acceptance by any such use, means, instrumentality or facility from or within any Restricted Jurisdiction where to do so would constitute a breach of any relevant securities laws of that Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Conygar will retain the right to permit the Offer to be accepted and any sale of any securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. Further information in relation to overseas TAP Shareholders will be set out in the Offer Documentation and in the Equivalent Information Document.

**THIS ANNOUNCEMENT DOES NOT CONSTITUTE, OR FORM PART OF, AN OFFER, OR ANY SOLICITATION OF AN OFFER, OR AN INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES. THE OFFER WILL BE MADE SOLELY BY WAY OF THE OFFER DOCUMENTATION AND THE EQUIVALENT INFORMATION DOCUMENT, WHICH, TOGETHER WILL CONTAIN THE FULL TERMS AND CONDITIONS OF THE OFFER, INCLUDING DETAILS OF HOW THE OFFER MAY BE ACCEPTED.**

TAP Shareholders who accept the Offer may only rely on the Offer Documentation and the Equivalent Information Document for all the terms and the conditions of the Offer. In deciding whether or not to accept the Offer in relation to their TAP Shares, TAP Shareholders should rely only on the information contained, and procedures described, in the Offer Documentation and the accompanying Equivalent Information Document.

Oriel Securities, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Conygar and no one else in connection with the Offer and will not be responsible to anyone other than Conygar for providing the protections afforded to customers of Oriel Securities or for providing advice in relation to the Offer or any other matter referred to herein.

Oriel Securities has given its written consent to the release of this Announcement containing references to its name in the form and context in which it appears.

The Directors accept responsibility for the information contained in this Announcement. 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 Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Forward Looking Statements**

*This Announcement may contain “forward-looking statements” concerning Conygar and TAP. Generally, the words “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project”, “should” and similar expressions identify forward-looking statements. Such statements reflect the relevant company’s current views with respect to future events and are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies’ abilities to control or estimate precisely, such as changes in general economic and business conditions, changes in currency exchange rates and interest rates, lack of acceptance of new exchange rates and interest rates, introduction of competing products or services, lack of acceptance of new products or services, changes in business strategy and the behaviour of other market participants and therefore undue reliance should not be placed on such statements. Conygar does not intend or assume any obligation to update these forward-looking statements other than as required by law or regulation.*

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and service of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date. Nothing contained in this Announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of Conygar or TAP except where expressly stated.

The attention of TAP Shareholders is drawn to the fact that, under the Code, there are certain UK dealing disclosure requirements in respect of relevant securities during an offer period. An offer period with respect to TAP was deemed to have commenced on (and including) 29 May 2009.

### **Dealing Disclosure Requirements**

Under the provisions of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of Conygar or TAP, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Conygar or TAP, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Conygar or TAP by Conygar or TAP, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

## APPENDIX I

The Offer is subject to and will comply with the rules and regulations of the London Stock Exchange and the FSA and the provisions of the City Code and other applicable legal or regulatory requirements. The Offer and any acceptances under it will be governed by English law and be subject to the jurisdiction of the courts of England.

**The Offer will be subject to the conditions and certain terms to be set out in full in the Offer Documentation as follows (together with certain further terms which will be contained within the Offer Documentation only):**

### A. CONDITIONS OF THE OFFER

#### 1. Acceptances

Valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the First Closing Date (or such later time(s) and/or date(s) as Conygar may, subject to the rules of the City Code or with the consent of the Panel, decide) in respect of such number of TAP Shares to which the Offer relates as will, when aggregated with any other TAP Shares held by Conygar, represent over 50 per cent. of the voting rights then exercisable at general meetings of TAP (or such lower percentage as Conygar may, with the consent of the Panel, decide), including for this purpose (except to the extent otherwise agreed by the Panel) any such voting rights attaching to any TAP Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise and for this purpose TAP Shares which have been unconditionally allotted shall be deemed to carry the voting rights which they will carry upon issue.

#### 2. Conygar Shareholder Approval and Admission

(a) The passing by the Conygar Shareholders of resolutions to be proposed at the General Meeting (or any adjournment thereof) to approve, implement and/or effect (as appropriate): the Acquisition and the Offer; the increase in Conygar's authorised share capital by the creation of a new class of shares (the Conygar Preference Shares) ; the grant of power of allotment to the Directors in respect of the increased authorised share capital of the Company ; the disapplication of pre-emption rights in respect of such allotment; and the adoption of new articles of association of Conygar which set out the rights attaching to the Conygar Preference Shares, together with any other resolution(s) as may be necessary to approve, implement and effect the Acquisition and/or the Offer; and

(b) The admission to trading on AIM of the Enlarged Share Capital becoming effective in accordance with the AIM Rules for Companies or (if Conygar so determines and subject to the consent of the Panel) the London Stock Exchange agreeing to admit such shares to trading on AIM subject only to their allotment.

#### 3. Third Party Intervention

No Third Party having intervened and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (in any case to an extent which is material to Conygar in the context of the Offer or, as the case may be, in the context of the Wider TAP Group, taken as a whole) to:

(i) make the Offer, its implementation or the acquisition or proposed acquisition by Conygar or any member of the Wider Conygar Group of any shares or other securities in, or control or management of, TAP or any member of the Wider TAP Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict or delay the same or impose additional conditions or obligations with respect to the Offer or such acquisition, or otherwise impede, challenge or interfere with the Offer or such acquisition, or require amendment to the terms of the Offer or the acquisition or proposed acquisition of any TAP Shares or the acquisition or control of TAP or the Wider TAP Group by Conygar or any member of the Wider Conygar Group; or

(ii) limit or delay the ability of any member of the Wider Conygar Group or any member of the Wider TAP Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider TAP Group or any member of the Wider Conygar Group; or

(iii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Conygar Group of any shares or other securities in TAP; or

(iv) require, prevent or delay the divestiture or disposal or alter the terms envisaged for any proposed divestiture or disposal by any member of the Wider Conygar Group of all or any portion of its business, assets or properties or limit the ability of any of such member to conduct its business or to own or control any of its assets or properties or any part thereof; or

(v) require any member of the Wider Conygar Group or of the Wider TAP Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party (in each case, other than in connection with the implementation of the Offer); or

(vi) limit the ability of any member of the Wider Conygar Group or of the Wider TAP Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Conygar Group or of the Wider TAP Group; or

(vii) result in any member of the Wider TAP Group or of the Wider Conygar Group ceasing to be able to carry on business under any name under which it presently does so; or

(viii) otherwise adversely affect the business, assets, profits, financial or trading position or prospects of any member of the Wider TAP Group or of the Wider Conygar Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

#### **4. Authorisations etc.**

(i) All Authorisations which are necessary or are considered necessary or appropriate by Conygar (acting reasonably) in any relevant jurisdiction for or in respect of the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, TAP or any other member of the Wider TAP Group by any member of the Wider Conygar Group or the carrying on by any member of the Wider TAP Group of its business having been obtained, in terms and in a form satisfactory to Conygar (acting reasonably), from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider TAP Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same; and

(ii) All notifications and filings which are necessary or are considered appropriate by Conygar (acting reasonably) having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case in connection with the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, TAP or any other member of the Wider TAP Group by Conygar or any member of the Wider Conygar Group or the carrying on by any member of the Wider TAP Group of its business.

#### **5. Consequences of the Offer**

Since the Accounting Date and except as Publicly Announced or Disclosed by TAP prior to the date of this Announcement, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider TAP Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Offer or the acquisition or proposed acquisition of any shares or other securities in, or control of, TAP or any other member of the Wider TAP Group by Conygar or any member of the Wider Conygar Group or otherwise, could or might reasonably be expected to result in (in any case to an extent which is material to Conygar in the context of the Offer or, as the case may be, in the context of the Wider TAP Group taken as a whole):

(i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider TAP Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated repayment date or the ability of any member of the Wider TAP Group to borrow monies or incur any indebtedness being or becoming capable of being withdrawn or inhibited; or

(ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider TAP Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable; or

(iii) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider TAP Group thereunder, being, or becoming capable of being terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder; or

(iv) any asset or interest of any member of the Wider TAP Group being or falling to be disposed of or ceasing to be available to any member of the Wider TAP Group or any right arising under which any such asset or interest

could be required to be disposed of or could cease to be available to any member of the Wider TAP Group otherwise than in the ordinary course of business; or

(v) any member of the Wider TAP Group ceasing to be able to carry on business under any name under which it presently does so; or

(vi) the creation of liabilities (actual or contingent) by any member of the Wider TAP Group; or

(vii) the rights, liabilities, obligations or interests of any member of the Wider TAP Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated, adversely modified or affected; or

(viii) the financial or trading position or the prospects or the value of any member of the Wider TAP Group being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, could result in any of the events or circumstances which are referred to in paragraphs (i) to (viii) of this condition 5 (inclusive).

## **6. No Corporation Action Since the Accounting Date**

Since the Accounting Date and except as Publically Announced or Disclosed prior to the date of this Announcement no member of the Wider TAP Group having:

(i) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities other than as between TAP and wholly-owned subsidiaries of TAP; or

(ii) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital; or

(iii) recommended, declared, paid or made any bonus, dividend or other distribution whether payable in cash or otherwise (other than to TAP or a wholly-owned subsidiary of TAP); or

(iv) made or authorised any change in its loan capital; or

(v) (other than any acquisition or disposal in the ordinary course of business or a transaction between TAP and a wholly-owned subsidiary of TAP) merged with, demerged or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (which in any case is material in the context of the Wider TAP Group taken as a whole); or

(vi) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Wider TAP Group taken as a whole; or

(vii) entered into, varied or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:

(a) is of a long term, onerous or unusual nature or magnitude or which is or could involve an obligation of such nature or magnitude; or

(b) could restrict the business of any member of the Wider TAP Group; or

(c) is other than in the ordinary course of business, and which in any case is material in the context of the Wider TAP Group taken as a whole; or

(viii) entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider TAP Group otherwise than in the ordinary course of business which in any case is material in the context of the Wider TAP Group taken as a whole; or

(ix) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider TAP Group; or

(x) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Wider TAP Group taken as a whole; or

(xi) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business in any case with a material adverse effect on the Wider TAP Group taken as a whole; or

(xii) waived or compromised any claim which is material in the context of the Wider TAP Group taken as a whole; or

(xiii) made any alteration to its memorandum or articles of association; or

(xiv) agreed to or permitted any amendments, variation or termination of any joint venture or partnership agreement to which any member of the Wider TAP Group is a party, which would or might reasonably be expected to have a material and adverse effect on the Wider TAP Group taken as a whole; or

(xv) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this condition 6.

## **7. Other Events Since the Accounting Date**

Since the Accounting Date and except as Publicly Announced or Disclosed prior to the date of this Announcement:

(i) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider TAP Group which in any case is material in the context of the Wider TAP Group taken as a whole; or

(ii) no contingent or other liability of any member of the Wider TAP Group having arisen or become apparent or increased which in any case is material in the context of the Wider TAP Group taken as a whole; or

(iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider TAP Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider TAP Group which in any case is material in the context of the Wider TAP Group taken as a whole; or

(iv) (other than as a result of the Offer) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider TAP Group which in any case is material in the context of the Wider TAP Group taken as a whole.

## **8. Other Issues**

Conygar not having discovered:

(i) that any financial or business or other information concerning the Wider TAP Group disclosed at any time by or on behalf of any member of the Wider TAP Group, whether publicly, to any member of the Wider Conygar Group or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected before the date of this Announcement either by being Publicly Announced or Disclosed or by being otherwise disclosed in writing to Conygar; or

(ii) that any member of the Wider TAP Group is subject to any liability (actual or contingent) which is not disclosed in TAP's annual report and accounts for the financial year ended 31 December 2008 and which in any case is material in the context of the Wider TAP Group taken as a whole; or

(iii) any information which affects the import of any information which has been Publicly Disclosed or Announced at any time by or on behalf of any member of the TAP Group to an extent which is material in the context of the Wider TAP Group taken as a whole; or

(iv) that any member of the Wider TAP Group has not complied with all applicable laws of any relevant jurisdiction with regard to the handling, processing, storage, carriage, disposal, discharge, spillage or leak of any waste or hazardous substance or any substance likely to impair the environment or harm human health which non-compliance would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider TAP Group which is material in the context of the Wider TAP Group taken as a whole.

For the purpose of these conditions:

(a) "Third Party" means any government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or administrative investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction;

(b) a Third Party shall be regarded as having "intervened" if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and "intervene" shall be construed accordingly;

(c) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals;

(d) "Publicly Announced or Disclosed" means specifically disclosed in any of: TAP's annual report and accounts for the year ended 31 December 2008, TAP's interim management statement covering the three months ended 31 March 2009 or otherwise publicly announced by TAP by the delivery of an announcement to a Regulatory Information Service;

(e) "Wider Conygar Group" means Conygar and its subsidiaries and subsidiary undertakings and associated undertakings (being any company or undertaking in which any Group Company and/or any such subsidiary and/or such undertaking (aggregating their interests) has or have a direct or indirect interest in 20 per cent. or more of the voting equity capital) and "member of the Wider Conygar Group" shall be construed accordingly; and

(f) "Wider TAP Group" means TAP and its subsidiaries and subsidiary undertakings and associated undertakings (being any company or undertaking in which any TAP Group Company and/or any such subsidiary and/or such undertaking (aggregating their interests) has or have a direct or indirect interest in 20 per cent. or more of the voting equity capital) and "member of the Wider TAP Group" shall be construed accordingly.

## **B. CERTAIN TERMS OF THE OFFER**

The conditions are inserted for the benefit of Conygar and no TAP Shareholder shall be entitled to waive any of the conditions without the prior consent of Conygar.

Subject to the requirements of the Panel, Conygar reserves the right to waive all or any of the above conditions, in whole or in part, except condition 1 (Acceptance).

Each of the conditions shall be regarded as a separate condition and shall not be limited by reference to any other condition even though the other conditions of the Offer may, at such earlier date, have been waived or fulfilled and there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfilment.

Conditions 2 to 8 (inclusive) must be fulfilled, be determined by Conygar to be or remain satisfied or (if capable of waiver) be waived by midnight on the twenty first day after the later of the First Closing Date and the date on which condition 1 (Acceptance) is fulfilled (or in each case such later date as Conygar may, with the consent of the Panel, decide), failing which the Offer will lapse. Conygar shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions 2 to 8 (inclusive) by a date earlier than the latest date specified above for the fulfilment of that condition even though the other conditions to the Offer may, at such earlier date, have been waived or fulfilled and there are, at such earlier date, no circumstances indicating that any such condition may not be capable of fulfilment.

If the Panel requires Conygar to make an offer for TAP Shares under the provisions of Rule 9 of the City Code, Conygar may make such alterations to the conditions of the Offer, including to condition 1, as are necessary to comply with the provisions of that Rule.

The Offer will lapse if the proposed acquisition of TAP is referred to the Competition Commission or if the European Commission either initiates proceedings under Article 6(1)(c) of Council Regulation 139/2004/EC (the "EC Merger Regulation") or makes a referral to a competent authority of the United Kingdom under Article 9(1) of

the EC Merger Regulation before 1.00 p.m. on the First Closing Date or the time and date on which the Offer becomes or is declared unconditional as to acceptances (whichever is the later).

If the Offer lapses it will cease to be capable of further acceptance. TAP Shareholders who have accepted the Offer and Conygar shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.

The TAP Shares which are the subject of the Offer will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances and third party rights and together with all rights now or hereafter attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid after the date of the Offer.

The Offer will not be made, directly or indirectly, in, into or from or by the use of the mails of or any means or instrumentality (including, without limitation, by means of facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, or in any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer, when made, will not be capable of acceptance by any such use, means, instrumentality or facility from or within any Restricted Jurisdiction where to do so would constitute a breach of any relevant securities laws of that Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Conygar will retain the right to permit the Offer to be accepted and any sale of any securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

## **APPENDIX II**

### **Sources and Bases of Information**

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

#### **1. General**

Financial information relating to Conygar and TAP has been extracted from the relevant published annual report and accounts of Conygar and TAP and/or public statements made by Conygar and TAP.

#### **2. Value of the Offer**

The Ordinary Share Offer values each TAP Share at 20.2 pence and values the entire issued share capital of TAP at approximately 28.8 million, based on the Closing Price of 101 pence of a Conygar Share on 6 August 2009 and 142,747,300 TAP Shares being in issue as at the date of this Announcement.

#### **3. Share prices**

The prices of Conygar and TAP Shares on a particular date are derived from the Closing Price for that date. Average closing prices are sourced from Datastream.

#### **4. Time**

All the times referred to in this Announcement are London times.

## APPENDIX III

### Definitions

The following definitions apply throughout this Announcement, unless the context requires otherwise:

“£”	UK pound sterling;
“1985 Act”	the Companies Act 1985 (as amended), to the extent in force;
“2006 Act”	the Companies Act 2006, to the extent in force;
“Accounting Date”	31 December 2008;
“Acquisition”	the proposed acquisition of TAP by Conygar pursuant to the Offer;
“Acts”	the 1985 Act and the 2006 Act;
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
“AIM”	the AIM market operated by London Stock Exchange;
“AIM Rules for Companies”	the AIM Rules for Companies, incorporating guidance notes, published by the London Stock Exchange governing admission to AIM and the rules of the London Stock Exchange governing the admission of securities to trading on and the regulation and operation of AIM;
“Announcement”	this announcement made in accordance with Rule 2.5 of the City Code;
“Board” or “Directors”	the directors of the Company as at the date of this Announcement;
“Business Day”	a day on which the London Stock Exchange is open for the transaction of business;
“Cash Alternative”	the option under the Offer for TAP Shareholders to accept cash consideration of 15 pence in cash per TAP Share;
“certificated” or “in certificated form”	a share or security which is not in uncertificated form;
“CISX”	the Channel Islands Stock Exchange, LBG;
“City Code” or “Code”	The City Code on Takeovers and Mergers;
“Closing Price”	the closing middle market quotation of a Conygar Share as derived from the Daily Official List of the London Stock Exchange;
“Conygar” or “the Company”	The Conygar Investment Company PLC;
“Conygar Preference Shares”	the unlisted zero coupon preference shares of 1 pence each proposed to be issued, credited as fully paid, by Conygar pursuant to the Preference Share Alternative, such shares having the rights summarised in the Offer Document;
“Conygar Shareholders”	the holders of Conygar Shares;
“Conygar Shares”	ordinary shares of £0.05 each in the share capital of Conygar;
“Daily Official List”	the Daily Official List of the London Stock Exchange;

<b>“Enlarged Group”</b>	the Group following completion of the Acquisition;
<b>“Enlarged Share Capital”</b>	the entire issued ordinary share capital of the Company following the issue of the New Conygar Shares;
<b>“Equivalent Information Document”</b>	the document comprising a document equivalent to a prospectus under paragraph 1.2.2 (2) of the Prospectus Rules and an AIM admission document relating to Conygar;
<b>“Existing Conygar Shares”</b>	the 41,647,906 Conygar Shares in issue at the date of this document;
<b>“First Closing Date”</b>	the first closing date of the Offer as specified in the Offer Document, when issued;
<b>“Form of Acceptance”</b>	the form of acceptance relating to the Offer accompanying this document, which should only be completed by holders of TAP Shares in certificated form;
<b>“FSA”</b>	the Financial Services Authority;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended);
<b>“General Meeting”</b>	the general meeting of the Company to be held at the offices of Wragge & Co LLP, 3 Waterhouse Square, 142 Holborn, London EC1N 2SW at 11.00 a.m. on 26 August 2009;
<b>“Group”</b>	Conygar and its subsidiaries and/or (where the context requires) any one or more of them and “Group Company” shall be construed accordingly;
<b>“Listing Rules”</b>	the rules and regulations made by the FSA under Part VI of FSMA (as amended);
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Maple Lodge”</b>	Maple Lodge Properties Limited;
<b>“New Conygar Shares”</b>	the new Conygar Shares to be issued, credited as fully paid, by the Company as consideration pursuant to the Ordinary Share Offer forming part of the Offer;
<b>“Offer”</b>	the offer made by Conygar to acquire the whole of the issued and to be issued share capital of TAP not held by Conygar at the date of such offer (including for the avoidance of doubt, any shares held in treasury) and where the context requires, any subsequent revision, variation, extension or renewal thereof;
<b>“Offer Document”</b>	the document proposed to be posted to TAP Shareholders containing, amongst other things, the Offer;
<b>“Offer Documentation”</b>	the Offer Document and, where relevant, the Form of Acceptance;
<b>“Offer Period”</b>	the period commencing on 29 May 2009 (being the date of the Rule 2.4 Announcement) until whichever of the following shall be the latest: (i) 1.00 p.m. on the First Closing Date; (ii) the date on which the Offer lapses; or (iii) the date on which the Offer becomes or is declared unconditional as to acceptances;
<b>“Official List”</b>	the Official List maintained by the FSA;
<b>“Ordinary Share Offer”</b>	the option under the Offer for TAP Shareholders to accept consideration comprising New Conygar Shares on the basis of one New Conygar Share for every five TAP Shares held;

<b>“Oriel Securities”</b>	Oriel Securities Limited;
<b>“Panel” or “Takeover Panel”</b>	The Panel on Takeovers and Mergers;
<b>“Preference Share Alternative”</b>	the option under the Offer for TAP Shareholders to accept consideration comprising Conygar Preference Shares on the basis of one Conygar Preference Share for every TAP Share held;
<b>“Prospectus Rules”</b>	the rules made by the FSA pursuant to section 84(1) of FSMA;
<b>“Regulatory Information Service”</b>	any of the services set out in Appendix 3 to the Listing Rules;
<b>“Restricted Jurisdiction”</b>	the United States, Canada, Australia, the Republic of South Africa or Japan;
<b>“Rule 2.4 Announcement”</b>	the announcement of a possible Offer made by Conygar on 29 May 2009;
<b>“subsidiary” or “subsidiaries”</b>	a subsidiary undertaking (as defined by section 736 of the 1985 Act);
<b>“TAP”</b>	The Advantage Property Income Trust Limited;
<b>“TAP Group”</b>	TAP and its subsidiary undertakings and/or (where the context requires) any one or more of them and “TAP Group Company” shall be construed accordingly;
<b>“TAP Shareholders”</b>	the holders of TAP Shares;
<b>“TAP Shares”</b>	the ordinary shares of 1 pence each in the capital of TAP;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, and any other areas subject to its jurisdiction, any states of the United States and the District of Columbia.