

This document is important and requires your immediate attention. When considering what action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other professional investment adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred your ordinary shares in Aukett Fitzroy Robinson Group Plc ("the Company") please send this document (together with the accompanying Form of Proxy) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The directors of the Company whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors of the Company (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.

## **AUKETT FITZROY ROBINSON GROUP PLC**

**Recommended proposals for capitalisation of merger  
reserve, reduction of share capital and cancellation of share  
premium account**

**and**

**Notice of Extraordinary General Meeting**

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### **IMPORTANT**

To be valid the enclosed Form of Proxy, for use at the Extraordinary General Meeting, must be returned so as to be received by Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL no later than 9.30 am on 8 August 2007.

Notice of the Extraordinary General Meeting of shareholders of Aukett Fitzroy Robinson Group Plc to be held at the offices of Aukett Fitzroy Robinson Group Plc, 14 Devonshire Street, London W1G 7AE at 9.30 am on 10 August 2007 is set out at the end of this document.

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## **DEFINITIONS**

“the Act”	the Companies Act 1985;
“AIM”	the AIM Market of the London Stock Exchange;
““B” Shares”	145,618,693 "B" shares of 1.058901827p each in the capital of the Company to be created by the Bonus Issue;
“Bonus Issue”	the bonus issue of 1 “B” Share for every 1 Ordinary Share held by each Shareholder as described in this document;
“Capital Reduction”	the proposed cancellation of the share premium account and ”B” Shares as described in this document;
“the Company”	Aukett Fitzroy Robinson Group Plc, registered with the Registrar of Companies of England and Wales with registered no. 2155571 and registered office situated at 14 Devonshire Street, London W1G 7AE;
“Court”	the High Court of Justice in England and Wales;
“Court Hearing”	the effective hearing of the Company’s petition seeking the Court’s confirmation of the Capital Reduction;
“the Directors”	Gerald Kenneth Thomas Deighton, James Nicholas Earle Thompson, Raul Morris Curiel and Lutz Heese;
“DTR”	the Disclosure and Transparency Rules being the rules published by the FSA from time to time and relating to the disclosure of information in respect of financial instruments;
“EGM”	the extraordinary general meeting of the Company to be held on 10 August 2007 convened by the notice set out on page 11;
“Form of Proxy”	the form of proxy for use in respect of the EGM;
“FSA”	the Financial Services Authority;
“London Stock Exchange”	London Stock Exchange plc;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“the Proposal”	the proposal to undertake the Capital Reduction described in this document;
“the Registrars”	Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL;
“the Resolutions”	the resolutions of members of the Company to be proposed at the EGM and as set out in the notice of EGM at the end of this document;
“Shareholders”	holders of the Ordinary Shares of the Company.

**EXPECTED TIMETABLE**

Record Date	6.00 pm on 7 August 2007
Latest time and date for receipt of completed Forms of Proxy for EGM	9.30 am on 8 August 2007
EGM	9.30 am on 10 August 2007
Court Hearing	12 September 2007

If there are any significant changes to the above times and/or dates Shareholders will be notified in writing. The expected date for the hearing of the petition is subject to the availability of the Court.

**AUKETT FITZROY ROBINSON GROUP PLC**

**(Company Number 2155571)**

***Directors:***

Gerald Kenneth Thomas Deighton (non-executive chairman)  
James Nicholas Earle Thompson (chief executive)  
Raul Morris Curiel (executive director)  
Lutz Heese (non-executive director)

***Registered Office:***

14 Devonshire Street  
London  
W1G 7AE

18 July 2007

***To the holders of the Ordinary Shares:***

Dear Sir or Madam

**Proposal in relation to the Company's payment of a dividend**

**1. Introduction**

As announced on 8 June 2007, your Board has resolved to seek a reduction in the capital of the Company in order to be able to resume dividend payments.

This letter sets out the background to the Proposal, why your Board considers it to be in the best interests of Shareholders and seeks your approval for the Resolutions required to be passed at an Extraordinary General Meeting of the Company to implement the Proposal.

The audited report and accounts of the Company for the year ended 30 September 2006 have previously been distributed to Shareholders.

**2. Background to and Reasons for the Proposal**

During the financial year ending 30 September 2006 the Group returned to profitability. In the six months to 31 March 2007 this improvement in profitability was maintained. As a result of this improvement the Group has started to build up a net cash surplus which is expected to continue. However, such surplus cash cannot be distributed to shareholders due to the lack of distributable reserves.

The Proposal envisages the creation of distributable reserves for the Company by cancelling the share premium account and by a cancellation of newly created share capital arising from a capitalisation of the merger reserve. The cancellation of the share premium account and the cancellation of the shares issued upon the capitalisation of the merger reserve would create realised profits in the amount of those reserves which would first be applied in eliminating the accumulated deficit on the Company's profit and loss account. The balance remaining after the elimination of the deficit would comprise distributable profits which, subject to any steps required to protect the position of the creditors of the Company as at the date of the reduction of capital, the Directors could then use for the purposes of paying future dividends.

The Proposal is conditional, inter alia, on the passing of Resolutions set out in the notice of EGM and Court approval of the cancellation of the Company's share premium account and cancellation of the "B" Shares, further details of which are set out below. If the Resolutions are not passed at the EGM and/or the Court confirmation is not obtained, it will not be possible to make dividend payments until the deficit on the Company's profit and loss account has been eliminated.

### **3. Capital Reduction**

The Company may only make a distribution to shareholders from distributable reserves. In the audited report and accounts of the Company for the year ended 30 September 2006 the Company had an accumulated deficit on its profit and loss account of £1,207,000. In order to eliminate the accumulated deficit on the Company's profit and loss account and to create distributable reserves to enable a distribution to be made in the future, it is proposed to take the following steps:

- (1) to cancel the balance standing to the credit of the share premium account of the Company, in the sum of £1,497,465;
- (2) to capitalise an amount standing to the credit of the merger reserve in the sum of £1,541,959 by way of a bonus issue of newly created "B" Shares; and
- (3) to reduce the share capital of the Company by cancelling those B Shares.

The cancellation of the share premium account and the reduction of the share capital of the Company by cancelling the "B" Shares requires the approval of Shareholders and, under the Act, the subsequent confirmation of the Court. The Company will not be in a position to complete the Proposal until confirmation from the Court has been obtained and the Court's order has been registered at Companies House. If the Resolutions are passed by the Shareholders, it is proposed to commence the proceedings to obtain the confirmation of the Court as soon as possible. It is anticipated that the final hearing at which the Court will confirm the Capital Reduction will take place on 12 September 2007.

Following the Capital Reduction there will be no change in the number of Ordinary Shares in issue.

### **4. Bonus Issue and Rights of "B" Shares**

It is proposed to capitalise the sum of £1,541,959 standing to the credit of the merger reserve by applying that sum in paying up in full 145,618,693 "B" Shares and on the day prior to the day of the Court Hearing, allotting and issuing such shares by way of a bonus issue to the persons at that point holding Ordinary Shares on the basis of 1 "B" Share for every 1 Ordinary Share held .

The "B" Shares will not be admitted to trading on AIM or any other market. No share certificates will be issued in respect of the "B" Shares. The "B" Shares will have extremely limited rights. In particular, the "B" Shares will carry no rights to participate in the profits of the Company and no rights to participate in

the Company's assets, save on a winding up. The "B" Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation the day after they are issued.

## **5. Extraordinary General Meeting**

To implement the Proposal the approval of Shareholders is required and, accordingly, there is set out at the end of this document a notice convening an Extraordinary General Meeting of the Company to be held at 14 Devonshire Street, London W1G 7AE at 9.30 am on 10 August 2007. The following Resolutions, each of which is a special resolution, will be proposed at the EGM, namely:

- To:-
  - increase the authorised share capital of the Company by the creation of the "B" Shares;
  - capitalise the merger reserve;
  - allot "B" Shares by way of Bonus Issue;
  - reduce the share capital by cancelling the "B" Shares; and
- To cancel the share premium account.

Whether or not you intend to be present at the meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible, and in any event so as to be received by the Registrars at not later than 9.30 am on 8 August 2007.

Completion of a Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish.

## **6. Dividend**

If the Resolutions are passed, and subject to the cancellation of the share premium account and the cancellation of the "B" Shares being confirmed by the Court, the Directors intend to recommend a dividend payable to Shareholders at the next meeting of the Board following completion of the Court process.

## **7. Taxation**

The following comments are intended as a general guide only and are based on current UK legislation and H M Revenue & Customs practice as at the date of this document. These comments deal only with Shareholders who are resident or ordinarily resident for taxation purposes in the UK, who are the absolute beneficial owners of Ordinary Shares and who hold them as an investment. They do not deal with the position of certain classes of Shareholders, such as dealers in securities or persons regarded as having obtained their Ordinary Shares by reason of employment.

### *Bonus Issue*

The Bonus Issue should be treated as a “reorganisation” for the purposes of UK taxation of chargeable gains (“CGT”), so that a Shareholder should not be treated as making a disposal or part disposal of his Ordinary Shares for CGT purposes upon receipt of the “B” Shares. Instead, the “B” Shares will be treated as the same asset, acquired at the same time, as his Ordinary Shares. The CGT base cost of the “B” Shares and the Ordinary Shares should be calculated by apportioning the base cost of the Ordinary Shares between the “B” Shares and the Ordinary Shares based on their respective market values as at the date of any disposal for CGT purposes (including on cancellation).

Due to the fact the B Shares:

- a) have no voting rights or rights to income;
  - b) have no market; and
  - c) at the time issued it is known that the B Shares will be cancelled for no payment,
- the value of the B Shares is considered to be negligible in comparison to the value of the Ordinary Shares. Consequently, the impact on the base cost of the Ordinary Shares of the issue of the B Shares should be negligible.

### *Capital Reduction*

No part of the proceeds received by a Shareholder on cancellation of the “B” Shares should be an income distribution in the Shareholder’s hands.

Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1 of Part 13 of the Income Tax Act 2007 (“ITA 2007”) are anti-avoidance provisions which might be applied to the cancellation of the “B” Shares so as to treat all or part of the receipt as income in the hands of Shareholders within the charge to UK corporation tax and within the charge to income tax respectively. The Company would not expect section 703 to apply but the ITA 2007 is new legislation and no guarantee can be given in this regard.

On the basis of the comments above, the cancellation of the “B” Shares should be treated as a disposal of those shares for CGT purposes. In order to calculate any gain or loss on such a disposal the base cost of the “B” Shares will be determined as described under “Bonus Issue” above.

This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about his own taxation position, whether regarding CGT or otherwise, or who is subject to taxation in any jurisdiction other than the UK should consult his professional taxation adviser immediately.



## **8. Non United Kingdom Shareholders**

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Bonus Issue and/or Capital Reduction will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Shareholder not resident in the United Kingdom or a citizen, resident or national of another country to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Bonus Issue and Capital Reduction, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the issue or cancellation of "B" Shares constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

## **9. Additional Information**

### *Responsibility*

The directors of the Company (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.

### *Directors' Interest in Shares*

As at close of business on 17 July 2007 (being the latest practicable date prior to the publication of this document), the interests in shares and debentures of each director, and the persons connected with them (within the meaning of the DTR) all of which are beneficial unless stated otherwise, in the share capital of the Company were as follows:

**Number of Ordinary  
Shares**

JNE Thompson	15,202,411
RM Curiel	10,858,865
GKT Deighton	1,000,000
L Heese	0

*Litigation*

No legal or arbitration proceedings are active, pending or threatened or being bought by the Company or which are having or may have a significant effect on the Company's financial position.

*Significant Changes*

Save as disclosed in this document, since 30 September 2006 there have been no significant changes in the financial or trading position of the Company.

**10. Recommendation**

The Directors believe the Proposal is in the best interests of Shareholders and unanimously recommend Shareholders to vote in favour of the Resolutions to be put to them at the Extraordinary General Meeting and have undertaken to vote in favour of the Resolutions in respect of their own shareholdings totalling 27,061,276 shares, representing 19 per cent. of the Company's issued ordinary share capital.

Yours faithfully

**Gerald Kenneth Thomas Deighton**  
**Chairman**

## AUKETT FITZROY ROBINSON GROUP PLC

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Aukett Fitzroy Robinson Group Plc will be held at 14 Devonshire Street, London W1G 7AE on 10 August 2007 at 9.30 am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Special Resolutions, namely:

#### SPECIAL RESOLUTIONS

1. **THAT:**

1.1 the authorised share capital of the Company be and is hereby increased from £1,950,000 to £3,491,959 by the creation of 145,618,693 "B" Shares of 1.058901827p each in the capital of the Company ("B" Shares) with the following rights;

1.1.1 Income

the holders of "B" Shares shall have no right to any participation in the profits of the Company;

1.1.2 Capital

the holders of "B" Shares shall have no right to any participation in the assets of the Company save upon the winding up of the Company whereupon the holders of "B" Shares shall have the right to the repayment of the nominal capital paid up or credited as paid up on the "B" Shares held by them. If on a winding up the amounts available for payment are insufficient to cover in full the amounts payable on the "B" Shares, the holders of such shares will share pro rata in the distribution of assets (if any) in proportion to the full amounts to which they would otherwise be entitled;

1.1.3 Voting

the holders of "B" Shares will not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such general meeting;

1.1.4 Class Rights

a reduction by the Company of the capital paid up or credited as paid up on the "B" Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the "B" Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of "B" Shares to reduce its capital (in accordance with the Companies Act 1985 (as amended));

1.2 the Directors be and they are hereby authorised to capitalise an amount standing to the credit of the Company's merger reserve not exceeding £1,541,959 and to apply such sum in paying up in full up to 145,618,693 "B" Shares and are hereby authorised pursuant to section 80 of the Companies Act 1985 (as amended) to allot and issue up to 145,618,693 "B" Shares each credited as fully paid up to the holders of Ordinary Shares on the register of members of the Company as at 5.00 pm on 11 September 2007 (or such other time and/or date as the Directors may determine) on the basis of 1 "B" Shares for each Ordinary Share held, provided that the authority hereby conferred shall expire on 31 December 2007 and so that such authority shall be

in addition to and without prejudice to the unexercised portion of the authority conferred upon the Directors pursuant to any resolution passed prior to this Extraordinary General Meeting; and

- 1.3 following the issue of "B" Shares pursuant to paragraph 1.2 above, the capital of the Company be reduced by cancelling all the "B" Shares in the issued share capital of the Company.
2. **THAT**, the share premium account of the Company be cancelled.

BY ORDER OF THE BOARD  
**James Nicholas Earle Thompson**  
Secretary

Dated 18 July 2007

Registered Office:  
14 Devonshire Street  
London  
W1G 7AE

#### NOTES

1. Any member entitled to attend and vote at the meeting may appoint another person, whether a member or not, as his proxy to attend and, on a poll, to vote instead of him. A form of proxy is enclosed for this purpose and to be valid must be lodged with the Company's registrars together with any power of attorney or other authority under which it is signed, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting.
2. Copies of the Directors' service contracts with the Company are available for inspection during normal business hours at the registered office of the Company and will be available for inspection at the place of the meeting from 15 minutes prior to the meeting until its conclusion.
3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the relevant register of members (the "Register") for certified or uncertified shares of the Company (as the case may be) at 6.00 pm on 7 August 2007 (the "Specified Time") will be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at that meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, by the time specified in the notice.