

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred part of your registered holding of Ordinary Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Evolutec Group plc

(Incorporated and registered in England and Wales under the Act with registered no. 5067291)

Proposals for the distribution of net cash to shareholders by way of liquidation and proposed cancellation of admission to AIM

A letter from the Chairman of Evolutec is set out in Part 1 of this document. The letter contains the recommendations of the Directors that you vote in favour of the resolutions to be proposed at the EGM.

Notice of an Extraordinary General Meeting of the Company to be held at 250 South Oak Way, Green Park, Reading, Berkshire, RG2 6UG at 11.00 a.m. on Friday, 6 July 2007 is set out at the end of this document. A Form of Proxy is enclosed with this document and you are asked to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it by post to The Proxy Processing Centre, Telford Road, Bicester, OX26 4LD so as to be received as soon as possible. The Form of Proxy must be received by the Proxy Processing Centre by no later than 11.00 a.m. on Wednesday, 4 July 2007. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Extraordinary General Meeting convened by the above mentioned Notice, should you so wish.

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EXPECTED TIMETABLE OF KEY EVENTS

All references to time in this document are to London time.

	<u>2007</u>
Latest time for receipt of Form of Proxy for the EGM	11.00 a.m. on Wednesday, 4 July
EGM	11.00 a.m. on Friday, 6 July
Cancellation of the admission of the Ordinary Shares on AIM	On or around 9 July

DEFINITIONS

Act	the Companies Act 1985 (as amended)
Admission	admission of the Ordinary Shares to trading on AIM in accordance with the AIM Rules
AIM	the AIM market operated by the London Stock Exchange plc
AIM Rules	the rules published by the London Stock Exchange plc from time to time governing admission to and the operation of AIM
Board or Directors	the directors of the Company, whose names appear in paragraph 1 of Part 2 of this document
business day	any day, other than a Saturday, Sunday or UK Bank Holiday, and consisting of the time period from 12.01a.m. and including 12.00 midnight (London time)
Closing Price	the closing middle market price of an Ordinary Share as derived from the AIM Appendix of the Official List
Company or Evolutec	Evolutec Group plc
EGM	the extraordinary general meeting of the Company to be held on Friday, 6 July 2007, notice of which is set out at the end of this document, or any adjournment thereof, relating to the Liquidation, the appointment of the Joint Liquidators and the cancellation of Admission
Employee Benefit Trust	the Evolutec Group plc Employee Benefit Trust established by trust deed dated 18 October 2005 between the Company and Appleby Trust (Jersey) Limited
Executive Directors	Mark Carnegie Brown and Nicholas J Badman, executive directors of the Company
Evolutec Share Award Schemes	the Evolutec Co-Investment Plan, the Evolutec Performance Share Plan and the Evolutec Group Long Term Incentive Plan
Evolutec Share Option Schemes	the Evolutec Share Option Plan, the Evolutec Unapproved Company Share Option Plan and the Evolutec Share Option Plan for Consultants
First Distribution	the proposed first distribution by the Joint Liquidators of assets of the Company to Shareholders in the Liquidation
Form of Proxy	the form of proxy accompanying this document for use by Shareholders at the EGM
Group or Evolutec Group	the Company, its subsidiaries and associated undertakings
Insolvency Act	the Insolvency Act 1986 (as amended)

Joint Liquidators	the proposed joint liquidators of the Company, namely Samantha Keen and Trevor O’Sullivan each of Grant Thornton UK LLP of 31 Carlton Crescent, Southampton SO15 2EW
Liquidation	the proposed members’ voluntary liquidation of Evolutec as described in this document
Non-executive Directors	David Philip Bloxham, Graeme Hart, John V Burke and Malcolm Darvell, the non-executive directors of the Company
Notice	the notice set out at the end of this document convening the EGM
Official List	the Official List of the Financial Services Authority
Ordinary Shares	ordinary shares of 10p each in the share capital of the Company
Proposals	together the proposed cancellation of Admission and the Liquidation
Registrars	Capita IRG plc (trading as Capita Registrars)
Resolutions	the resolutions to be proposed at the EGM, as set out in the Notice
Second Distribution	the proposed second distribution by the Joint Liquidators of assets of the Company to Shareholders in the Liquidation
Shareholders	holders of Ordinary Shares

PART 1

Letter from the Chairman of Evlutec Group plc

EVOLUTEC GROUP PLC

(Incorporated and registered in England and Wales under the Act with registered number 5067291)

Directors:

Dr David Philip Bloxham (Non-executive Chairman)
Dr Mark Carnegie Brown (Chief Executive Officer)
Nicholas J Badman ACA (Chief Financial Officer)
Graeme Hart (Non-executive Director)
John V Burke (Non-executive Director)
Malcolm Darvell (Non-executive Director)

Registered and Head Office:

250 South Oak Way
Green Park
Reading
Berkshire
RG2 6UG

6 June 2007

To Shareholders and, for information only, to participants in the Evlutec Share Option Schemes and Evlutec Share Award Schemes

Dear Shareholder,

Proposals for the distribution of net cash to Shareholders by way of Liquidation and proposed cancellation of Admission to AIM

Introduction

On 3 January 2007 Evlutec announced that the development candidate rEV131 did not show clinical efficacy in either the allergic rhinitis Phase IIb clinical trials or post-operative cataract surgery Phase II clinical trials and therefore the Board was considering all strategic options to realise value for Shareholders. Since that date, the Board has actively sought a purchaser for the Group or parts thereof and has pursued discussions with a number of parties, in relation to potential options.

A number of provisional offers for the Company were received and these included reverse takeovers and mergers. The Board evaluated these offers against the cash that could be returned to shareholders following a members' voluntary liquidation. The Board also considered the prospects of developing rEV576 further and the likely timeframe for doing this and concluded that the best interests of Shareholders would be served by Evlutec Limited and the Company both being put into members' voluntary liquidation and the net surplus cash of the Group being distributed by the Joint Liquidators to Shareholders as soon as possible.

Accordingly, Shareholder approval to place Evlutec into members' voluntary liquidation and to appoint the Joint Liquidators is being sought at the EGM to be held on Friday, 6 July 2007.

The purpose of this document is to provide you with details of the Proposals, to explain why your Board believes the Proposals to be in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions. The Notice convening the EGM at which the Resolutions will be proposed is set out at the end of this document.

Information on Evlutec

Evlutec is a biopharmaceutical company developing drugs for allergy, inflammation and autoimmune disease. Since the Group's formation, the Group has progressed its lead therapeutic development candidate, rEV131, from discovery to completion of Phase II trials. Regrettably, rEV131 did not show clinical efficacy in either the Phase IIb allergic rhinitis or Phase II post-operative cataract surgery clinical trials.

Background to and reasons for the Proposals

The 2006 financial year ended with the disappointing news that rEV131 did not show clinical efficacy in either the allergic rhinitis Phase IIb clinical trials or the post-cataract surgery inflammation Phase II clinical trials. The Company took immediate steps to put all significant external expenditure in rEV131

on hold while it undertook a review of the best route to maximise shareholder value. The Board stated in an announcement on 3 January 2007 that all strategic options to realise value for Shareholders were under consideration. Following the announcement on 3 January 2007, the Board appointed Numis Securities Limited as its nominated adviser and broker to assist in the process of exploring the strategic options available to the Group and Grant Thornton UK LLP to assist in the evaluation of cash which might be returned to shareholders.

Having considered all the options available to the Company, taking independent professional advice when appropriate, the Board has concluded that the most appropriate recommendation to make to Shareholders is to put the Company into members' voluntary liquidation. This will require the approval of Shareholders by both special and extraordinary resolutions and also require that the Company be solvent. This will enable the Group's surplus cash to be returned to Shareholders, after paying or providing for all known actual and contingent liabilities of the Group, including the fees and expenses associated with the Proposals. As a purchaser for all or part of the assets of the Group has not been found on acceptable terms, the Directors have concluded that a disposal of all or part of the assets prior to commencement of the Liquidation is not possible. The Directors believe that the Liquidation represents the greatest certainty of the largest amount of cash to be returned to Shareholders in the shortest period of time compared to any other proposal received at the date of this document.

The Board

It is intended that following the conclusion of the EGM, assuming the Resolutions are passed, the Non-executive Directors will resign as directors of the Company with immediate effect. The Executive Directors have entered into compromise agreements with the Company pursuant to which they will cease to be employees of the Group with effect from the date of the EGM, assuming all the Resolutions are passed at the EGM. However the Executive Directors will remain as directors throughout the Liquidation. In a solvent liquidation the powers of the directors cease (except as sanctioned by the Company in general meeting or by the Joint Liquidators) and the Joint Liquidators assume responsibility for the company's affairs. The Joint Liquidators will therefore deal with the realisation of the Company's assets, the agreement of its liabilities and the distribution of the Company's surplus funds to Shareholders.

Employees of the Group

Save for one employee who has resigned, the employees of the Group have all entered into compromise agreements pursuant to which they will cease to be employees of the Group.

Details of the Liquidation and financial effect of the return of capital to Shareholders

Evolutec Limited will be put into a members' voluntary liquidation on the same timetable as that proposed for the Company.

It is proposed that Samantha Keen and Trevor O'Sullivan of Grant Thornton UK LLP be appointed as joint liquidators of the Company to conduct the Liquidation. The conduct of the Liquidation and the timing and amount of any distributions to Shareholders will be the responsibility of the Joint Liquidators.

As required by the Insolvency Act on a members' (solvent) voluntary liquidation, the Directors intend to make a statutory declaration prior to the EGM stating that they have made a full enquiry into the affairs of the Company and that, having done so, they have formed the opinion that the Company will be able to pay its debts in full, together with interest at the official rate, within a period of 12 months from the commencement of the Liquidation.

The amount and timing of payments to Shareholders will be dependent primarily upon the absence of any significant claims being notified to either the Joint Liquidators or the liquidators of Evolutec Limited. The Board is not currently aware of any such claims that would adversely impact on the return of cash to Shareholders. The Directors have discussed the amount and timing of distributions to Shareholders with the Joint Liquidators, who have based their estimates on the assumptions that the appropriate tax clearances are obtained and no further liabilities arise. On the basis of such discussions, the Directors expect that a total amount of approximately £5.5 million will be available for distribution to Shareholders, representing approximately 21.3 pence per Ordinary Share. The Closing Price on 4 June 2007, the business day before the announcement of the Proposals, was 18 pence.

There will be at least two distributions of cash to Shareholders. Whilst the amount and timing of any distribution is uncertain, the Directors have discussed the proposed distributions with the Joint

Liquidators and the Joint Liquidators have indicated that a First Distribution of approximately 60 per cent. of the expected full distribution will be made to Shareholders during October 2007.

The precise timing of the Second Distribution will depend, in particular, on the progress of the Liquidation, the settlement of any outstanding liabilities and the appropriate confirmation from the tax authorities that the Company and its subsidiaries have no outstanding tax liabilities.

Other than the cash referred to above, the Group has certain other assets, including in particular certain intellectual property assets. The Joint Liquidators do not intend to market these assets for sale. However, they will entertain proposals from parties who would be interested in any such assets.

The Liquidation is conditional upon Shareholder approval, which will be sought at the EGM. If approved by Shareholders, the Liquidation will commence immediately following the EGM and the appointment of the Joint Liquidators will become effective at such time.

If the Resolutions are not passed then the Company will continue to hold the surplus cash and continue to be traded on AIM. As the Company does not presently have distributable reserves no money can be returned to Shareholders by way of dividend and therefore the surplus cash cannot be paid out to Shareholders in this manner.

Factors which could affect the amount and timing of distributions to Shareholders

Shareholders should be aware that the total amount of cash which can be returned to Shareholders and the timing of the distributions remain dependent upon a number of factors, including the amounts required to settle outstanding liabilities, transaction costs incurred by the Group and receipt of the appropriate tax clearances. Shareholders should also note that the Board's estimate of the total amount to be returned, and the timing and the amount of the instalments of cash, is subject to any liabilities that are brought to the attention of the Joint Liquidators or the Board after the date of this document, the existence or extent of which the Board is not or may not be aware as at the date of this document.

Prior to distributing cash to Shareholders, the Joint Liquidators must be satisfied that either all liabilities have been settled or that sufficient cash has been retained to discharge or provide for all actual and contingent liabilities. This involves an initial period of at least 21 days during which the Joint Liquidators will advertise for claims against the Company, specifying a deadline by which any claims must be notified. Cash can be released at such time as the Joint Liquidators determine that all actual and contingent liabilities have been paid, provided for or discharged and that there is surplus cash available for distribution. This process can take time. It is therefore usual for cash to be distributed to Shareholders in a series of instalments, the amount and timing of each being dependent on the cash available and the status of known and potential liabilities.

The Board cannot guarantee that the Joint Liquidators will return cash to Shareholders as described in this document because the decision as to the amount and timing of cash instalments will be under the control of the Joint Liquidators and taken in view of the circumstances at the time.

United Kingdom taxation

The information below relates to current United Kingdom law and practice and is subject therefore to any subsequent changes therein. This information is applicable only to companies and to persons resident in the United Kingdom for tax purposes who hold their Ordinary Shares as an investment. It may not apply to certain categories of person, such as dealers in securities, unit trust funds or persons who received their shares by reason of employment. This information is given by way of a general summary and does not constitute legal or tax advice to any such holders.

Shareholders will be receiving solely cash on the winding up of the Company. Any distributions made by the Joint Liquidators should qualify as capital distributions, and so will not be taxed as income in the hands of the Shareholders but will instead be treated as a disposal of their shareholding for the purposes of United Kingdom taxation of capital gains. The Shareholders will therefore make chargeable disposals which, depending on their precise circumstances, may be subject to capital gains tax or corporation tax.

The chargeable gain (or allowable loss) is calculated for capital gains tax purposes on each occasion on which a distribution is received by deducting the attributable acquisition base cost plus certain incidental costs from the proceeds distributed. In addition, a Shareholder making a chargeable disposal may be entitled to an indexation allowance and/or taper relief to reduce the gain which is chargeable to capital gains tax or corporation tax. Indexation allowance, calculated by reference to the increase in the Retail

Price Index from the date of acquisition to the date of disposal, is available for corporate Shareholders holding shares as an investment. Taper relief may apply to reduce the chargeable proportion of any gain realised by individual or trustee Shareholders. Individual and trustee Shareholders may also wish to consider the application of the capital gains tax annual exempt amount to their particular circumstances.

If you are in any doubt about your taxation position, or may be subject to a tax in a jurisdiction other than the United Kingdom, you should immediately consult an appropriate professional adviser without delay.

Evolutec Share Option Schemes

Options over a total of 701,101 Ordinary Shares are outstanding under the Evolutec Share Option Schemes, although no options remain outstanding under the Evolutec Share Option Plan for Consultants. The exercise prices per Ordinary Share of these options range from £1.25 to £2.50. These options are therefore significantly “underwater” and will lapse unexercised.

Evolutec Share Award Schemes

The performance conditions attaching to the vesting of awards under the Evolutec Share Award Schemes have not been satisfied and all holders of awards have waived any rights and entitlements under such schemes.

The Employee Benefit Trust

The Employee Benefit Trust currently holds 12,222 Ordinary Shares. In order to finance the acquisition of these Ordinary Shares, a loan of £20,000 was made by the Company to the trustee of the Employee Benefit Trust. This loan remains outstanding. It is therefore proposed that the Ordinary Shares held in the Employee Benefit Trust will continue to be held in the trust. The Employee Benefit Trust will receive distributions in the Liquidation as a Shareholder and will apply such amount to satisfying the costs of the trust. The Company has waived its entitlement to obtain repayment of the loan made to the trust.

Dealings, transfers and cancellation of Admission

The Directors intend, having given in this document the requisite 20 business days’ notice, to cancel the Admission, if the Resolutions are passed. In accordance with the AIM Rules, cancellation of Admission is conditional upon consent of not less than 75 per cent. of votes cast by Shareholders at a general meeting. Such consent will be sought at the EGM. Assuming the Resolutions are passed, the cancellation is expected to become effective on or around 9 July 2007.

The register of members of the Company will be closed at the close of business on Wednesday, 4 July 2007 (being the day before the EGM) and, to be valid, all transfers must be lodged with the Registrars before that time. Transfers received by the Registrars after the close of business on Wednesday, 4 July 2007 will be returned to the person lodging the same. If Shareholders dispose of Ordinary Shares otherwise than through the London Stock Exchange plc, they must make their own arrangements with the other parties concerned as regards entitlement to distributions in the Liquidation and other rights attaching thereto.

Extraordinary General Meeting

The Notice convening the Extraordinary General Meeting is set out at the end of this document.

At the EGM, two Resolutions will be proposed:

- Resolution 1 is a special resolution to: (i) approve the Liquidation and appoint the Joint Liquidators; (ii) approve the basis of the remuneration of the Joint Liquidators, (iii) grant to the Joint Liquidators the right to distribute all or part of the Company’s assets *in specie*; and (iv) approve the destruction of the Company’s records and (v) approve the cancellation of Admission.
- Resolution 2 is conditional on passing Resolution 1 and is an extraordinary resolution to grant to the Joint Liquidators powers to perform certain actions in the Liquidation.

Each of the resolutions to be proposed at the EGM require the approval of three-quarters of those Shareholders voting in person or by proxy (unless a poll is demanded, in which case, 75 per cent. of the votes cast in person or by proxy must be in favour of the resolution). A guide on how the Joint Liquidators are to be remunerated is contained in Part 2 of this document.

Further Information

Your attention is drawn to the further information set out in Part 2 of this document.

Action to be taken

Shareholders will find enclosed with this document a Form of Proxy to be used in connection with the EGM. Whether or not you intend to attend the EGM, please complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it by post to Proxy Processing Centre, Telford Road, Bicester, OX26 4LD so as to arrive as soon as possible and in any event by no later than 11.00 a.m. on Wednesday, 4 July 2007. Neither the completion of the Form of Proxy nor its return will preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they wish to do so.

Recommendation

All of the Directors consider that the Proposals are in the best interests of the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the Resolutions at the EGM as they have provided irrevocable undertakings to do in respect of their own Ordinary Shares, amounting to 688,331 Ordinary Shares, representing approximately 2.65 per cent. of the issued share capital of the Company.

Yours faithfully

David Bloxham
Chairman

PART 2

ADDITIONAL INFORMATION

1 Responsibility Statement

- 1.1 The Directors, whose names are set out below, 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.

The Directors of the Company are:

Dr David Philip Bloxham (*Non-executive Chairman*)
Dr Mark Carnegie Brown (*Chief Executive Officer*)
Nicholas J Badman ACA (*Chief Financial Officer*)
Graeme Hart (*Non-executive Director*)
John V Burke (*Non-executive Director*)
Malcolm Darvell (*Non-executive Director*)

2 Directors Interests

- 2.1 As at 5 June 2007 (the latest practicable date prior to the publication of this document), the interests of the Directors (including persons connected with them within the meaning of Section 346 of the Act) in the share capital of the Company, in the issued share capital of the Company and the existence of which is known or could with reasonable diligence be ascertained by that Director, were as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Per cent. of the issued Ordinary Shares</i>
Dr David Philip Bloxham	133,608	0.51
Dr Mark Carnegie Brown	76,949	0.30
Nicholas J Badman	76,621	0.30
Graeme Hart	208,739	0.80
John V Burke	192,414	0.74
Malcolm Darvell	—	—

- 2.2 Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group which was effected by Evolutec during the current or immediately preceding financial year or was effected during an earlier financial year and remains in any respect outstanding or unperformed.

3 Substantial Interests in Ordinary Shares

- 3.1 As at 5 June 2007 (the latest practicable date prior to the publication of this document), Evolutec is aware of the following beneficial holdings of persons other than Directors who were interested, directly or indirectly, in 3 per cent. or more of the issued share capital of Evolutec:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Per cent. of the issued Ordinary Shares</i>
Gartmore Investment Management	3,588,941	13.83
Bluehone Investors	3,132,857	12.07
Invesco Perpetual	2,395,431	9.23
Charles Stanley	1,508,258	5.81
Cazenove Capital Management	1,456,000	5.61
Morgan Stanley as marketmaker	1,075,000	4.14
Cheviot Asset Management	786,989	3.03
Barclays Stockbrokers (ND)	779,744	3.00

4 Statutory Provisions relating to Liquidators remuneration

4.1 Introduction

When a company goes into liquidation, the costs of the proceedings are paid out of its assets. The shareholders therefore have a direct interest in the level of costs and the liquidator's remuneration.

4.2 Alternative bases of remuneration

The basis for fixing the liquidator's remuneration is set out in Rule 4.148A of the Insolvency Rules 1986. The Rule states that the remuneration shall be fixed either:

- (i) as a percentage of the value of the assets which are realised or distributed or both; or
- (ii) by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation.

It is for the shareholders of the company in general meeting to determine on which of these bases the remuneration is to be fixed. If the remuneration is not fixed in this way, it will be in accordance with the default scale set out in schedule 6 to the Insolvency Rules 1986.

4.3 Factors to be considered in determining the basis of remuneration

- (i) the complexity (or otherwise) of the case;
- (ii) any responsibility of an exceptional kind or degree which falls on the liquidator;
- (iii) the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties; and
- (iv) the value and nature of the assets that the liquidator has to deal with.

5 General

5.1 Samantha Keen and Trevor O'Sullivan of Grant Thornton UK LLP of 31 Carlton Crescent, Southampton SO15 2EW have given and not withdrawn their written consent to the issue of this document with the inclusion of their names and references thereto in the form and context in which they appear.

5.2 Numis Securities Limited of The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references thereto in the form and context in which it appears.

Dated 6 June 2007

EVOLUTEC GROUP PLC

(Incorporated and registered in England and Wales under the Act with registered number 5067291)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Evolutec Group plc (the "Company") will be held at 250 South Oak Way, Green Park, Reading, Berkshire, RG2 6UG on Friday, 6 July 2007 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution 1 will be proposed as a Special Resolution and Resolution 2 will be proposed as an Extraordinary Resolution:

Special Resolution

1 THAT:

- (a) the Company be wound up voluntarily pursuant to Section 84(1)(b) of the Insolvency Act 1986 and that Samantha Keen and Trevor O'Sullivan of Grant Thornton UK LLP, 31 Carlton Crescent, Southampton, SO15 2EN, be and they are hereby appointed as joint liquidators of the Company ("Joint Liquidators") for the purpose of such liquidation and any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of the persons for the time being holding office; and
- (b) the remuneration of the Joint Liquidators and that of Grant Thornton UK LLP for the provision of tax advice shall be fixed by reference to Grant Thornton UK LLP's time costs on the basis of time properly spent by them and members of their staff in attending to matters arising prior to and during the liquidation of the Company and that they be hereby authorised to draw such remuneration on the basis agreed with the directors of the Company;
- (c) the Joint Liquidators be and they are hereby authorised, in accordance with the provisions of the Company's Articles of Association, to distribute all or part of the assets of the Company *in specie* to the shareholders of the Company in such proportion as they mutually agree;
- (d) the books and records of the Company be held by the Joint Liquidators until the expiry of twelve months after the date of dissolution of the Company when they may be disposed of; and
- (e) the admission of the ordinary shares of 10p each in the share capital of the Company to trading on the AIM market of the London Stock Exchange plc, be cancelled.

Extraordinary Resolution

2 THAT, conditional on the passing of Resolution 1 above the Joint Liquidators of the Company be and they are hereby authorised under the provisions of Section 165 of the Insolvency Act 1986 to exercise the powers set out in Part I of Schedule 4 of the Insolvency Act 1986, namely to pay creditors in full and to make compromises with creditors and debtors of the Company.

By Order of the Board

Nicholas Badman
Secretary

Registered and Head Office:
250 South Oak Way
Green Park
Reading
Berkshire
RG2 6UG

6 June 2007

Attention of members is drawn to the following notes, which form part of this Notice.

Notes:

- 1 Participants in the Evolutec Share Options Schemes who are not also registered as holders of Ordinary Shares are not entitled to receive notice of or to attend or vote at this Extraordinary General Meeting and the above Notice is sent to such participants for information only.
- 2 A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and (on a poll) vote on their behalf. A proxy need not be a member of the Company.
- 3 A form of proxy is provided with this notice. Completion and return of such proxy will not prevent a member from attending the Extraordinary General Meeting and voting in person.
- 4 Upon a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote, and upon a poll every member present in person or by proxy shall have one vote for every Ordinary Share held by him/her.
- 5 To be effective, the form of proxy and any power of attorney or other authority under which it is signed (or notarially certified copy of such authority) must be completed and returned to Proxy Processing Centre, Telford Road, Bicester, OX26 4LD not less than 48 hours before the time of the holding of the Meeting (or any adjournment thereof).
- 6 Pursuant to regulation 41 of the Uncertified Securities Regulations 2001, changes to entries in the register of members after 6.00 p.m. on 4 July 2007, or, in the event of any adjournment of the above Meeting, by 6.00 p.m. on the day two days prior to the date fixed for the adjourned meeting shall be disregarded in determining the rights of any member to attend or vote at the meeting or adjourned meeting (as the case may be). Accordingly, only a member registered in the register of members of the Company as at 6.00 p.m. on 4 July 2007 shall be entitled to attend or vote at the meeting or adjourned meeting (as the case may be) in respect of the number of shares registered in his name at that time.
- 7 In the case of joint registered holders of any shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders are shown in the register of members.

