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If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

Investec Investment Banking, a division of Investec Bank plc, which is authorised and regulated by the Financial Services Authority, is acting for Harvard International plc and for no one else in connection with the Disposals and the Move to AIM and will not be responsible to anyone other than Harvard International plc for providing the protections afforded to customers of Investec Investment Banking or for affording advice in relation to the Disposals and the Move to AIM, the contents of this document or any transaction, arrangement or other matter referred to in this document.

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HARVARD INTERNATIONAL PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 00756128)*

Proposed disposal of the Medical Division and the Properties Proposed Move to AIM Notice of General Meeting of the Company

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Harvard International plc, which is set out in Part I of this document. The letter contains a recommendation to vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice convening a General Meeting of the Company to be held at 10.30 a.m. on Wednesday 30 September 2009 at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS is set out at the end of this document. A Form of Proxy for use at the General Meeting is also enclosed with this document. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's Registrar no later than 10.30 a.m. on 28 September 2009, being 48 hours before the time appointed for the holding of the meeting. Forms of Proxy received after this time will be invalid. Alternatively, you may fill in your Form of Proxy online at www.capitashareportal.com in accordance with the on screen instructions. Members wishing to appoint a proxy electronically will require their unique investor code which is shown on the Form of Proxy. Please ensure you complete your online proxy form by no later than 10.30 a.m. on 28 September 2009. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction, in accordance with the procedures set out in the CREST Manual, so that it is received by the Registrar (under CREST participant ID RA10) by no later than 10.30 a.m. on 28 September 2009. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

No person has been authorised to give any information or make any representations other than those contained in the document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<u>2009</u>
Latest time and date for receipt of Forms of Proxy for the General Meeting to approve the Disposals and Move to AIM	10.30 a.m. on 28 September
General Meeting to approve the Disposals and Move to AIM	10.30 a.m. on 30 September
Expected date of Completion	30 September
Expected last day of dealing in Ordinary Shares on the Official List	28 October
Expected date of Admission to AIM and first day of dealing in Ordinary Shares	29 October

Notes:

If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

References to times in this document are to London Time.

PART I
LETTER FROM THE CHAIRMAN OF THE COMPANY

HARVARD INTERNATIONAL PLC

Harvard House
The Waterfront
Elstree Road
Elstree
Hertfordshire
WD6 3BS

Directors

Bridget Blow (Chairman)
Daniel Harris (Chief Executive)
Andrew Rose (Finance Director)
Mike Ashley (Executive Director)
Paul Selway-Swift (Senior Non-Executive Director)
Tony Shearer (Non-Executive Director)

4 September 2009

To Shareholders and, for information only, holders of options under the Share Option Schemes

Dear Shareholder

**PROPOSED DISPOSAL OF THE MEDICAL DIVISION AND THE PROPERTIES;
PROPOSED MOVE TO AIM; AND
NOTICE OF GENERAL MEETING OF THE COMPANY**

1. Introduction

On 29 July 2009 your Board announced the sale of the Group's surplus property portfolio and the Medical Division for £10 million. The Purchasers are controlled by Daniel Harris (the Chief Executive of Harvard) and members of his family (including John Harris who is a substantial Shareholder of Harvard). Andrew Rose is also an investor in the Purchasers. The Disposals are conditional, inter alia, upon Shareholder approval at a General Meeting under the Listing Rules for the following reasons:

- (a) their size; and
- (b) as a consequence of the involvement of Daniel Harris, John Harris and Andrew Rose (who are related parties to Harvard) with the Purchasers, the Disposals are related party transactions.

Daniel Harris and Andrew Rose, as Directors of the Company, have not taken part in the Board's consideration of the Disposals or in the recommendation made to the Shareholders.

In addition following completion of the Disposals the Company intends to transfer the admission of its Ordinary Shares from the Official List and from trading on the London Stock Exchange's main market for listed securities to trading on AIM. Under the Listing Rules, the cancellation of admission to the Official List and to trading on the London Stock Exchange's main market for listed securities also requires the prior approval of Shareholders.

Your approval of the Disposals and Move to AIM is being sought at a General Meeting of the Company to be held at 10.30 a.m. on Wednesday 30 September 2009 at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS. A notice of the General Meeting is set out at the end of this document. A summary of the action you should take is set out in Section 17 of this letter and on the Form of Proxy that accompanies this document.

The purpose of this document is to explain the background to and reasons for the Disposals and the Move to AIM and why the Board believes that the Disposals and the Move to AIM are in the best interests of Harvard and to recommend that you vote in favour of the Resolutions at the General Meeting.

You will find definitions for capitalised terms used in this letter and the rest of this document in Part VIII of this document.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

2. Information on the Medical Division

Harvard distributes electronic consumer medical products that are sold “over the counter” under the Kinetik and Sonetik brands. The Kinetik product range includes: blood pressure monitors; digital, oral and infrared ear thermometers; heart rate monitors; and TENS digital pain relievers. Sonetik distributes hearing aids.

The Board continues to believe that the underlying business drivers, principally a wealthier, older and more health aware population, create a favourable market backdrop for the Medical Division. Steady progress was made during the year ended 31 March 2009 with the development of the product range, global distribution network, management recruitment and initial marketing programmes, however, turnover in the Medical Division declined to £9.2 million in the year ended 31 March 2009 (2008: £14.3 million) and it reported an operating loss of £0.9 million (2008: £0.9 million profit).

During the current financial year (ending 31 March 2010) there has been a recovery in the trading performance of the Medical Division, however the Company believes that the future growth of the business will require entry into new markets, such as North America, and the development of new products which are not at present part of the Company’s core business. Accordingly a decision has been taken to accept the offer made by Malmo to acquire the Medical Division.

The Medical Division consists of eleven companies: Harvard Medical, Kinetik Medical, Kinetik Medical US, Sonetik UK, Sonetik AG, Harvard America, Harvard Research, Hamsard 3150, Harvard Medical HK, Kinetik Medical HK and Sonetik HK.

A summary of the trading results for the Medical Division for the three years ended 31 March 2009 (on an IFRS basis) is set out below:

<u>Year ended 31 March</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	£m	£m	£m
Revenues	13.8	14.3	9.2
Operating profit/(loss)	0.8	0.9	(0.9)

At 31 March 2009, the Medical Division had liabilities of £0.5 million (net of £2.7 million of intercompany creditors) and total assets of £1.2 million.

The financial information in this Part I has been extracted without material adjustment from the financial information contained in Part IV of this document. **Shareholders should read the whole of this document and not just rely on the summarised financial information set out in this Part I.**

3. Information on the Properties

As a result of the much reduced scale of the Group’s activities, four properties at Barking, Brampton, Jarrow and Rugby have become surplus to operational requirements. The Board decided, after the close of the 2008/9 financial year, to dispose of the Properties.

Cushman and Wakefield LLP, a leading commercial real estate broker and consultant, have valued the Properties at £8.53m. The Cushman and Wakefield LLP valuation is set out in Part V of this document.

The Brampton Property and the Jarrow Property are rented out to third parties and in the year to 31 March 2009 the Group received rental income of £0.6 million from the Brampton Property. The rent payable for the Jarrow Property of £0.2 million per annum commenced during the 2009/10 financial year.

The Rugby Property is partially utilised by the Group to meet its own distribution needs but was being marketed to let prior to agreement of the Property Disposal. Under the Rugby Lease, Alba Broadcasting will be able to continue to occupy the Rugby Property for a peppercorn’s rent until 30 June 2010, subject to Vasteras having the right to terminate on 90 days notice.

The Barking Property was the Group’s previous Head Office and is vacant and was being marketed for let or sale prior to agreement of the Property Disposal. Following the announcement on 29 July 2009 the Company was notified of an approach by a third party who was interested in acquiring the Barking Property at a price of £875,000. The Valuation Report prepared by Cushman and Wakefield LLP valued

the Barking Property at £450,000. The new approach was given serious consideration by the Independent Directors however it was subject to a number of conditions, including the availability of finance. Given the current uncertainties in the property market and the nature of the Barking Property (which is leasehold and unoccupied), the Independent Directors decided that the certainty of the arrangements entered into on 28 July 2009 are, on balance, preferable to seeking an independent disposal of the Properties.

The Sale and Purchase Agreement contains “anti-embarrassment provisions” which provide that in the event of a sale of any of the Properties by the Purchasers within a period of 12 months following Completion, 30 per cent. of any surplus (net of all taxes and costs of disposal incurred by the Purchasers) received by the Purchasers above the value set out in the Valuation Report for such Property will be paid to the Company. Further details of the Sale and Purchase Agreement are contained in Part III of this document.

The Company has agreed with the Purchasers a deed of variation (dated 4 September 2009) to the Sale and Purchase Agreement which provides that if within a period of 12 months following Completion the Purchasers dispose of the Barking Property to the party (or its related interests) who put forward the approach at £875,000, the Company will receive an amount equal to 100 per cent. of any surplus (net of all taxes and costs of disposal incurred by the Purchasers) received by the Purchasers above the value set out in the Valuation Report in relation to the sale of the Barking Property.

4. Background to and reasons for the Disposals

Over the last two years the Group has made four major disposals that have realised c.£92 million in cash from the sale of non core assets: 22 August 2007 the Leisure Division (small domestic appliances) was sold for £51.5 million; 4 February 2008 Roadstar was sold for a nominal amount; 1 April 2008 the investment in the Grundig joint venture was sold for an initial consideration of £25.0 million; and 15 December 2008 the sale of the Alba and Bush brands for £15.25 million.

The proceeds from these disposals and the withdrawal from unprofitable markets (such as full service LCD televisions) has enabled the Group to repay all its bank borrowings (which were £52.4 million at 31 March 2007), return approximately £15.4 million to shareholders in January 2009 and have £24.7 million of net cash at 31 March 2009.

The financial year ended 31 March 2009 saw the Group continue its programme of restructuring in order to create a sustainable and profitable trading platform, while at the same time addressing the impact of the Global recession which has severely affected the consumer electronics industry.

The final stage in the repositioning of the Group is the disposal of the Properties and the Medical Division. The Properties are being disposed of because these assets are no longer required in the business and the Medical Division is being disposed of because its development will require expansion outside the Group’s markets and core products.

The Purchasers offered to acquire the Medical Division and the Properties for £10 million. In agreeing to this price the Independent Directors took into account:

- (a) the difficulties in trying to dispose of the Properties at their valuation (either individually or as one lot) in the current property market;
- (b) that the Medical Division, while having attractive prospects, is at present heavily dependant on one customer and faces the difficulties of developing new products and growing sales in new overseas markets;
- (c) the two principal subsidiaries of the Medical Division have minority interests owned by the managers of these subsidiaries which could complicate any sale of the Medical Division to a third party;
- (d) the very limited warranties and indemnities given to the Purchasers; and
- (e) the “anti embarrassment” provisions that have been agreed with the Purchasers.

Following completion of the Disposals the Group will have completed the disposal of its non core businesses and assets and will be focused on the distribution of specialist consumer electronic products in the UK and Australia with a new senior management team leading a business with a clear strategy, focused on a competitively positioned product range and supported by a sound balance sheet. The main business driver will be the UK’s nationwide switchover from an analogue to a digital broadcast medium and growing demand for access to “high definition” standard programming.

5. Principal terms of the Disposals

Under the Sale and Purchase Agreement and the Property Sale Agreement, which were signed on 28 July 2009, the Company has conditionally agreed to sell the Medical Division and the Properties to the Purchasers. Further details of the Disposal Agreements are set out in Part III of this document.

The total amount payable by the Purchasers in cash on Completion is £10.0 million (subject to certain adjustments post Completion as described in Part III of this document). The Directors do not expect any post Completion adjustments to be material in the context of the Disposals. Pursuant to the terms of the Sale and Purchase Agreement, the Continuing Group shall waive all intra-group indebtedness owed to it by the Medical Division, amounting to approximately £2.7 million as at 31 March 2009.

The Purchasers have agreed to pay £1.47 million (subject to certain adjustments post Completion as described in Part III of this document) in respect of the Medical Division and £8.53 million in respect of the Properties at Completion.

The Purchasers have agreed “anti-embarrassment” provisions relating to any disposals by them of the Properties and/or the Medical Division to third parties within 12 months of Completion. Details of the “anti-embarrassment” provisions are set out in Part III of this document.

The Disposals, which are expected to complete on 30 September 2009, are conditional, inter alia, on the approval of the Shareholders at the General Meeting. A summary of the principal terms and conditions of the Disposal Agreements are set out in Part III of this document.

6. Information on the Purchasers

The Medical Division and the Properties are being sold to a number of entities: Malmo, Aalborg and Vasteras.

Malmo, which will acquire the Medical Division, is a newly incorporated company which the Board has been informed will be at Completion owned: 80 per cent. by Daniel Harris and his immediate family; 10 per cent. by John Harris; and 10 per cent. by Andrew Rose.

Vasteras, which will acquire the Brampton Property, the Jarrow Property and the Rugby Property, is a newly incorporated limited liability partnership which the Board has been informed will be at Completion owned: 45 per cent. by Daniel Harris; 45 per cent. by John Harris; and 10 per cent. by Andrew Rose.

Aalborg, which will acquire the Barking Property, is a newly incorporated limited liability partnership which the Board has been informed will be at Completion owned: 45 per cent. by Daniel Harris; 45 per cent. by John Harris; and 10 per cent. by Andrew Rose.

Daniel Harris, John Harris and members of their family and related trusts which own a total of 16,961,006 Ordinary Shares (33.09 per cent. of the issued share capital) and Andrew Rose who owns 231,649 Ordinary Shares (0.45 per cent. of the issued share capital) will each be treated as a related party under the Listing Rules and unable to vote on the Resolution to approve the Disposals at the General Meeting.

7. Use of proceeds and financial effects of the Disposals on the Group

At 30 June 2009 the Group had net cash balances of £20.6 million. The Net Proceeds of the Disposals will for the time being be added to the Group’s cash balances.

Following the sale of the Alba and Bush brands, a return of cash of 30 pence per Ordinary Share was paid to Shareholders in January 2009. The Board will continue to review the Group’s finances and, when appropriate, will consider making further distributions of surplus funds to Shareholders.

In the year ended 31 March 2009 the Medical Division incurred losses before tax of £0.9 million. Therefore, had the Disposals occurred at the beginning of the last full financial year, the Group would have reported a reduced loss before tax for the year ended 31 March 2009. The impact of the Disposals on the net assets of the Group is set out in Part VI of this document.

8. Background to and reasons for the Move to AIM

In view of the Group’s considerably reduced scale of operations the Board has decided that now would be an appropriate time to move trading in the Company’s shares to AIM.

It is expected that the Move to AIM will significantly reduce the regulatory workload and expense to a level more consistent with the new Group structure. The Board believes that the move will have negligible impact on Shareholders' ability to trade Ordinary Shares, receive dividends and access information in relation to the Company.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. The obligations of a company whose shares are traded on AIM are similar to those of companies whose shares are listed on the Official List, with certain exceptions, including those referred to below:

- Under the Listing Rules, a company is required to appoint a 'sponsor' under certain circumstances such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FSA when required that the responsibilities of the listed company have been met. Under the AIM Rules, a 'nominated adviser' is required to be engaged by the Company at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. On Admission to AIM, the Company intends to appoint Investec as the Company's nominated adviser.
- Under the AIM Rules, prior shareholder approval is required only for (1) reverse takeovers (being an acquisition or acquisitions in a twelve month period which either (a) exceed 100 per cent. on various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company; or (b) result in a fundamental change in the Company's business, board or voting control) and (2) disposals that result in a fundamental change of business (being disposals that exceed 75 per cent. of various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company). Under the Listing Rules, a broader range of transactions require advance shareholder approval.
- There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors, except when seeking admission for a new class of securities or as otherwise required by law.
- The Combined Code does not apply directly to companies whose shares are traded on AIM. The Directors recognise, however, the importance of high standards of corporate governance and intend that the Company should observe the requirements of the QCA Guidelines and the Combined Code to the extent the Directors consider appropriate having regard to the size, nature and resources of the Group.
- The ABI Guidelines, which give guidance on issues such as executive compensation and share based remuneration, corporate governance, share capital management and the issue and allotment of shares on a pre-emptive or non pre-emptive basis, do not apply directly to companies whose shares are traded on AIM. The Directors recognise, however, the importance of high standards of corporate governance and intend that the Company should observe the requirements of the ABI Guidelines to the extent the Directors consider appropriate having regard to the size, nature and resources of the Group.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on business days.

Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Move to AIM, individuals who hold Ordinary Shares may, after two years, therefore be eligible for certain inheritance tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. In particular, they should note that it is not possible to hold shares traded on AIM in individual savings accounts (ISAs). The Directors understand that, following Admission, Shareholders will, under current HM Revenue & Customs guidance, have 30 days to transfer their shareholding in the Company into their own name or to sell the holding and retain the proceeds within the relevant ISA.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

AIM is a market designed primarily for emerging or small companies, to which a higher investment risk tends to be attached than for larger or more established companies. AIM securities are not admitted to the Official List.

9. Move to AIM

Conditional on all the Resolutions being approved at the General Meeting, the Company will apply to cancel the listing of the Ordinary Shares on the Official List and to trading on the London Stock Exchange's main market for listed securities and will apply to the London Stock Exchange for admission of the Ordinary Shares to AIM. It is anticipated that the listing of the Ordinary Shares on the Official List will cease at close of business on 28 October 2009, being not less than 20 Business Days from the passing of the AIM Resolution. Admission is expected to take place and dealings are expected to commence on AIM at 8.00 a.m. on 29 October 2009.

Because the Company is currently on the Official List, the AIM Rules do not require any form of admission document to be published by the Company in connection with the Admission.

Following the Delisting and the Admission, Ordinary Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new Ordinary Share certificates will be issued.

10. Management Changes

Following the completion of the Disposals, Daniel Harris will step down from his position as Chief Executive of Harvard International plc, and will cease to be an employee of the Group. Daniel Harris will receive no compensation on leaving his current position but will remain on the Board as a non-executive Director.

Mike Ashley, currently Managing Director of the Consumer Electronics Division, will be appointed as the Group's new Chief Executive.

Andrew Rose, Group Finance Director, has given notice of his intention to resign as a Director and an employee of the Group. In the meantime, Andrew will remain with the Group in his current role until the end of September and the Board are now actively seeking a suitable replacement.

11. Group Strategy post Disposals

The Group's activities are focused on the UK and Australian consumer electronics markets, supported by ancillary operations in Hong Kong and China. The management's strategy is to identify and exploit local market opportunities.

The product range is differentiated through the use of relevant technology, design and careful market segmentation and in the UK focusing on product lines which are not dominated by those offered by the major global brands.

Exploiting its flexibility, Harvard has developed product ranges in the sectors of digital media boxes, iPod accessories and children's consumer electronics. The brands and distribution agreements are in place to execute this strategy; Goodmans and Grundig within digital media, iLuv in iPod accessories and Disney within the niche children's consumer electronics market.

The emerging UK digital media sector represents a good opportunity for the Group. The analogue to digital switchover (due to be completed in 2012), high definition mass market roll out (expected in the years 2010 to 2015) and TV on demand services (expected from 2010 onwards) will, the Board believes, all drive strong consumer demand which Harvard will be in a position to exploit.

In Australia, where the more diverse product range continues to provide a competitive business model, trading conditions have been weak but market shares have held up well with the management team developing new business through a wider customer base.

12. Current trading and prospects

Harvard published its Interim Management Statement which covered the period of trading since 1 April 2009 on 14 August 2009 which stated the following:

"Sales and margin are in line with the first quarter budget. UK Consumer Electronics has benefited from strong demand in the Digital Set Top Box sector on the Freeview and Freesat platforms. Australia has had an encouraging quarter with strong sales from a wider customer base. The Group remains in a strong financial position supported by a sound balance sheet."

13. Related Parties

Daniel Harris and Andrew Rose are Directors of the Company. John Harris is a substantial Shareholder. Daniel Harris and John Harris together with their family and related trusts own 33.09 per cent. of the Company's issued Ordinary Shares. Andrew Rose owns 0.45 per cent. of the Company's issued Ordinary Shares. As the Purchasers will be owned, in part, by these individuals, under the Listing Rules the Disposals are related party transactions.

Daniel Harris, John Harris and Andrew Rose have undertaken not to vote on the Disposal Resolutions at the General Meeting and have undertaken to take all reasonable steps to ensure that their associates will not vote on the Disposal Resolutions at the General Meeting.

Daniel Harris and Andrew Rose have not taken part in the Board's consideration of the Disposals or in the Board's recommendation to Shareholders in relation to the Disposals.

14. Risk Factors

Shareholders should consider fully the risk factors associated with the Disposals, the Continuing Group and the Move to AIM. Your attention is drawn to the risk factors set out in Part II of this document.

15. General Meeting

A notice is set out at the end of this document convening a General Meeting of the Company to be held at 10.30 a.m. on Wednesday 30 September 2009 at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS at which the Resolutions will be proposed. Resolutions 1 and 2 will be proposed as ordinary resolutions, whilst Resolution 3 will be proposed as a special resolution.

Resolution 1—Approval of the Medical Disposal

The first resolution (which is conditional on the passing of Resolution 2) seeks the authority for the Company to complete the Medical Disposal pursuant to the terms of the Sale and Purchase Agreement. The passing of this Resolution requires a majority of the votes cast in respect of the Resolution to be in favour of the Resolution.

Resolution 2—Approval of the Property Disposal

The second Resolution (which is conditional on the passing of Resolution 1) seeks the authority for the Company to complete the Property Disposal pursuant to the terms of the Property Sale Agreement. The passing of this Resolution requires a majority of the votes cast in respect of the Resolution to be in favour of the Resolution.

Resolution 3—Approval of the Move to AIM

The third Resolution (which is conditional on the passing of Resolutions 1 and 2 and Completion) seeks the authority for the Company to carry out the Delisting and subsequent Admission. The passing of the AIM Resolution requires 75 per cent. of the votes cast in respect of the AIM Resolution to be in favour of the Resolution.

16. Further information

Your attention is drawn to the further information set out in Part II to Part VII of this document. You should read the whole of this document and, in particular, the risks and uncertainties set out in Part II.

17. Action to be taken

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested 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 case so as to be received by the Company's Registrar, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.30 a.m. on 28 September 2009.

Shareholders may also appoint a proxy electronically by visiting the website of Capita Registrars, www.capitashareportal.com and following the on-screen instructions. Members wishing to appoint a proxy electronically will need their unique investor code which is printed on the enclosed Form of Proxy. Your vote must be received before 10.30 a.m. on 28 September 2009.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST Participant ID RA10) so that it is received by no later than 10.30 a.m. on 28 September 2009.

The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

If you are in any doubt as to how to complete the Form of Proxy (or CREST Proxy Instruction), please contact Capita Registrars on 0871 664 0321 within the UK (calls cost 10p per minute plus network extras, lines are open 8.30 a.m.-5.30 p.m. Mon-Fri) or +44 208 639 3399 from overseas. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Capita Registrars will not be able to provide advice on the merits of the Disposals or the Move to AIM, or give any financial advice. For financial advice, you will need to contact your own independent professional adviser.

18. Recommendation

The Board, having been so advised by Investec, considers that the Disposals are in the best interests of the Company and the Shareholders as a whole and are fair and reasonable as far as the Shareholders as a whole are concerned. In providing advice to the Board, Investec has taken into account the Board's commercial assessments. Neither Daniel Harris nor Andrew Rose has taken part in the Board's consideration of the Disposals or in the Board's recommendation to Shareholders in relation to the Disposals.

The Board recommends Shareholders to vote in favour of the Disposal Resolutions as the Independent Directors intend to do in respect of their own shareholdings which amount to in aggregate 15,760 Ordinary Shares (representing approximately 0.03 per cent. of the existing issued share capital of the Company as at 1 September 2009). Neither Daniel Harris, John Harris nor Andrew Rose will vote on the Disposal Resolutions and Daniel Harris, John Harris and Andrew Rose have each undertaken to take all reasonable steps to ensure that their associates will not vote on the Disposal Resolutions.

The Board, having been so advised by Investec, is of the opinion that the Move to AIM is in the best interests of the Company and Shareholders as a whole. In providing advice to the Board, Investec has taken into account the Board's commercial assessments.

The Board recommends Shareholders to vote in favour of the AIM Resolution as they intend to do in respect of their own shareholdings which amount to in aggregate 6,067,227 Ordinary Shares (representing approximately 11.84 per cent. of the existing issued share capital of the Company as at 1 September 2009).

Yours faithfully,

Bridget Blow
Chairman

4 September 2009

PART II

RISK FACTORS

The following risk factors should be considered carefully by Shareholders when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting. The following risks (which are not set out in any particular order of priority) are those material risks of which the Directors are aware. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently consider to be immaterial, may also have an adverse effect on the Group or the Continuing Group.

The Group or the Continuing Group's business, financial condition in the longer term, or results of operations could be materially and adversely affected by any of the risks described below. In such case, the market price of the Ordinary Shares may decline and investors may lose all or part of their investment. References in this section to the Company include references to all Group companies.

1. RISKS ASSOCIATED WITH THE DISPOSALS

Failure to complete Disposals

The Disposals are conditional, inter alia, on the approval of Shareholders and will not proceed if this condition has not been met.

In addition the Purchasers have the right not to complete the Disposals in the event that certain material events happen prior to Completion and accordingly the Disposals (or part thereof) may not proceed if such a material event occurs. Details of the material events are contained in Part III of this document.

Liabilities and obligations of the Purchasers

The Disposal Agreements contain certain warranties, indemnities and covenants in favour of the Continuing Group. The extent to which the Purchasers are required in the future to make payments under any of these warranties, indemnities and covenants is unpredictable. If, however, the Purchasers suffer financial distress, any payments due to the Continuing Group under such warranties, indemnities and covenants may be put at risk.

2. RISKS ASSOCIATED WITH THE CONTINUING GROUP

The Continuing Group's operations will be less diversified

On Completion of the Disposals, the Continuing Group's business will be less diversified and focused on the consumer electronics market in the UK and Australia. Weak performance in these businesses or markets, or in any particular sector of these businesses or markets, may therefore have a proportionally greater adverse impact on the financial condition of the Continuing Group.

The market for consumer electronics

Harvard may continue to experience reduced demand for products, for example through changes in consumer tastes, to which the Company is slow to respond and which could have a material impact on revenues and profitability through both pricing and volume.

Competition

The Continuing Group faces competition in all of its businesses from alternative suppliers. To stay competitive it will need to introduce successful new products and maintain competitive pricing compared to its competitors. The Continuing Group could also face competition from new competitors who may be larger than Harvard. The Continuing Group's business, financial condition and results of operations may suffer if it does not compete effectively.

Retention of Key Staff

The Continuing Group's success is dependent on attracting and retaining highly qualified and skilled employees. There is competition for personnel from other organisations and the loss of key employees, or the failure to attract and retain other highly skilled employees, may impair the Continuing Group's ability to operate its business effectively.

Disruption to facilities

The Continuing Group operates out of a warehouse facility in the UK and has warehouse and technical facilities in China. If one or more of these facilities suffered disruption to its operations, for example through an outbreak of fire, it could have a material impact on revenues and profitability through both pricing and volume.

Loss of suppliers

Harvard sources the majority of its products from China through a number of suppliers. Certain of these suppliers are material to the business and should a number of these suppliers fail to provide Harvard with products, either because of a disruption in the supply chain or because they have ceased to trade, the Continuing Group could be exposed to a lack of its products being available for sale.

Loss of key customers

The Continuing Group is dependent on retaining its key customers. Should the Continuing Group lose one or more of its key customers this could have a material impact on the Continuing Group's business, financial condition and results of operations.

Shortage, non-availability or technical fault with regard to key components

The Continuing Group is reliant on the supply, availability and reliability of key components. If there is a shortage, non availability or technical fault with any of the key components this may impair the Continuing Group's ability to operate its business efficiently and lead to potential disruption to its operations.

Possible Volatility of the Price of Ordinary Shares

The market price of Harvard's Ordinary Shares may be affected by a variety of factors, including but not limited to, changes in sentiment regarding the Ordinary Shares, variations in the Continuing Group's operating results compared with the expectations of market analysts and investors, its business development or those of its competitors, the operating performance of its competitors or speculation about the Continuing Group's business. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up.

Litigation

In March 2008, certain members of the MPEG LA Consortium instigated legal proceedings against Harvard in relation to alleged patent infringement in respect of the prior importation of two models of MPEG2 enabled DVD players. In July 2009, the claimants amended their claim to include all relevant Group products.

The potential liability of the Group in respect of this litigation is currently unquantifiable, but the Directors believe that an estimation of the largest reasonably foreseeable award against the Group in the UK is approximately US\$8 million.

The Group has a number of strong defences to this action and has been fighting these allegations vigorously. Recently, there have been procedural hearings in the English courts and these have found, largely, in Harvard's favour. The first of the substantive issues is due to come to trial in early 2010.

The Group provided in its accounts for the year ended 31st March 2009 for what it believed to be the most likely outcome, inclusive of costs, of this litigation process. This litigation, however, involves substantial sums and an unfavourable outcome could have a material effect on the Company's business. The Group now believes further provision may be required in respect of costs although the total amount inclusive of costs is not expected to exceed US\$8 million.

Substantial sales of Ordinary Shares

There can be no assurance that certain Directors and executive officers of the Company or other Shareholders will not elect to sell their Ordinary Shares. The market price of Ordinary Shares could decline as a result of any sales of such Ordinary Shares or as a result of the perception that these sales may occur. If these or any other sales were to occur, the Company may in the future have difficulty in offering or selling Ordinary Shares at a time or at a price it deems appropriate.

Economic Downturn

The Continuing Group operates internationally and is subject to a variety of potential risks arising out of the key economies in which it operates, for example currency fluctuations, exchange control restrictions, banking crisis, regulations of capital investments, the ability to enforce intellectual property rights and language and certain cultural differences in countries where there are operations. These, together with any deterioration in the global political outlook, could adversely affect the Continuing Group's business, financial condition and results of operations.

Law and Regulation

The Continuing Group is subject to various international, federal, state and local regulations currently in effect and scheduled to become effective in the near future, including environmental and health and safety laws and regulations. These regulations are complex, change frequently, can vary from country to country, and have increased over time. Any breach of these obligations, or incidents relating to them, may have an adverse effect on the Continuing Group's business, financial condition and results of operations.

Exchange Rates

The Continuing Group conducts business internationally, and is therefore subject to the risks normally associated with foreign businesses, including the need to translate foreign assets and liabilities, income and expenses into Sterling. The US dollar is the major currency to which the Continuing Group will be exposed, although it is also exposed to a lesser extent to the Euro. While the Group has taken precautions to hedge foreign exchange exposure through purchases on a forward basis, there is no guarantee that it can insulate itself entirely from the effects of exchange rate fluctuations.

3. RISKS ASSOCIATED WITH THE MOVE TO AIM

AIM Market

Whilst Admission is not expected to affect the way in which Shareholders buy and sell Ordinary Shares, the market for shares on AIM may be less liquid or subject to greater fluctuation than the Official List and shares traded on AIM may be perceived as carrying a higher risk than shares listed on the Official List.

The liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

AIM Rules

Rules requiring companies listed on AIM to seek shareholder approval for certain transactions (including acquisitions, mergers and disposals within prescribed thresholds) differ from those which apply to companies listed on the Official List and in general they are less stringent. Accordingly, investors will not receive the same opportunities to vote on potential acquisitions, mergers and disposals proposed by the Company as if it were listed on the Official List.

Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “projects”, “assumes”, “expects”, “intends”, “may”, “will”, “would” or “should”, or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ and the Company’s intentions, beliefs or current expectations concerning, among other things, the Continuing Group’s resulting operations, financial condition, liquidity, prospects, growth strategies and the industries in which the Continuing Group will operate. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, market position of the Company, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation but such trends or activities will continue in the future. None of these statements made in this document in any way obviates the requirements of the Continuing Group to comply with the Prospectus Rules, the Disclosure Rules, the Listing Rules or FSMA (including, for the avoidance of doubt, any obligation to update such information).

PART III
FURTHER INFORMATION ON THE DISPOSAL AGREEMENTS

(A) Sale and Purchase Agreement

The following is a summary of the material terms of the Sale and Purchase Agreement. The Sale and Purchase Agreement is available for inspection as described in paragraph 13 of part VII of this document.

Harvard, Malmo and Daniel Harris entered into the Sale and Purchase Agreement on 28 July 2009 and a variation to this agreement on 4 September 2009. Pursuant to the Sale and Purchase Agreement (as amended), Harvard will sell to Malmo the Medical Division.

Consideration

Under the Sale and Purchase Agreement the consideration payable is £1.47 million. The consideration shall be adjusted following completion of the Medical Disposal, once completion accounts have been drawn up, by means of balancing payments on a £ for £ basis to be made by Harvard or Malmo to the extent that the net assets of Harvard Medical are greater or less than £500,000 at the date of Completion. No adjustment payment shall be made if the payment would be equal to or less than £25,000.

The consideration of £1.47 million will be paid by Malmo to Harvard in full in cash on completion of the Medical Disposal.

In addition Malmo has agreed, subject to Completion, to be responsible for all costs relating to the agreement with Emil Jachmann and Associates from the period commencing on 1 September 2009 up to and including Completion.

Conditions to Completion

Completion of the Medical Disposal is conditional upon the consent of Shareholders at the General Meeting.

If the condition is not satisfied by 31 October 2009 the Sale and Purchase Agreement shall cease to have effect and neither Harvard nor Malmo would be obliged to complete the Medical Disposal.

Termination Rights

Malmo may terminate the Sale and Purchase Agreement by notice in writing if in Malmo's opinion there is a material adverse change which occurs in the period prior to completion of the Medical Disposal. For these purposes material adverse change means:

- (a) Daniel Harris becoming permanently incapacitated to the extent that he is unable to carry out his duties;
- (b) the death of Daniel Harris; or
- (c) a material breach of any of the warranties contained in the Sale and Purchase Agreement.

Warranties and Indemnities

No warranties or indemnities have been given by Harvard under the Sale and Purchase Agreement, other than warranties relating to Harvard's capacity to enter into the Sale and Purchase Agreement and in relation to title to the shares in Harvard Medical which are usual for a transaction of this nature.

Undertakings of Harvard up to Completion

The Sale and Purchase Agreement contains customary undertakings given by Harvard and Daniel Harris to Malmo restricting the conduct of the business and affairs of the Medical Division during the period up to completion of the Medical Disposal.

Restrictive Covenants

The Sale and Purchase Agreement includes restrictive covenants provided by Harvard committing itself, for a period of 12 months from completion of the Medical Disposal, not to:

- (a) compete with the Medical Division in the business of importing, producing and selling medical and wellbeing electronics products anywhere in the world;

- (b) solicit or entice away any employees of the Medical Division;
- (c) solicit any customer of the Medical Division in competition with the Medical Division; or
- (d) seek to interfere with the continuance of supplies to the Medical Division.

Malmo and Daniel Harris have each given restrictive covenants for a period of 12 months, committing themselves not to:

- (a) solicit or entice away any employees of the Harvard Group; or
- (b) seek to interfere with the continuance of supplies to the Harvard Group.

Anti-Embarrassment

The Sale and Purchase Agreement contains undertakings by Malmo to pay additional monies to Harvard in the event that it sells at a profit the Medical Division or any of the Properties at any time within one year of completion of the Medical Disposal. The amount to be paid is:

- (a) in relation to any sale of the Properties, 30 per cent. of any profit made on such property;
- (b) in relation to any sale of the Sonetik Group or its assets, 50 per cent. of any profit made; and
- (c) in relation to any sale of the Medical Division, 50 per cent. of any profit made.

By way of a deed of variation to the Sale and Purchase Agreement dated 4 September 2009, in the event that the Disposals achieve Completion and the Purchasers sell the Barking Property to a pre-identified third party (or its related interests) within the period of 12 months following Completion, the Company will receive an amount equal to 100 per cent. of any surplus (net of all taxes and costs incurred by the Purchasers) received by the Purchasers above the value set out in the Valuation Report in relation to the sale of the Barking Property.

Debt Waiver

The sale of the Medical Division has been entered into on the basis that the Continuing Group has agreed to waive all intra-group indebtedness owed by any member of the Medical Division to the Continuing Group immediately prior to completion of the Medical Disposal. As at 31 March 2009, the amount of such intra-group debt was approximately £2.7 million.

(B) Property Sale Agreement

The following is a summary of the material terms of the Property Sale Agreement. The Property Sale Agreement is available for inspection as described in paragraph 13 of part VII of this document.

Harvard Property, Alba Broadcasting, Vasteras and Aalborg entered into the Property Sale Agreement on 28 July 2009. Pursuant to the Property Sale Agreement, Harvard Property will sell to Aalborg the Barking Property and Harvard Property shall sell to Vasteras the Rugby Property, the Jarrow Property and the Brampton Property. Harvard Property also agrees to procure that Harvard Property shall sell to Vasteras 160 ordinary shares in the capital of Cortonwood (Management) Two Company Limited (being the management company of the Brampton Property).

Consideration

Under the Property Sale Agreement the consideration for the sale of the Barking Property, the Rugby Property, the Jarrow Property and the Brampton Property is £8.53 million to be paid in cash on Completion. The consideration for the sale of the 160 shares in Cortonwood (Management) Two Company Limited is £1.00 to be paid in cash on Completion.

Conditions to Completion

Completion of the Property Disposal is conditional upon completion of the Sale and Purchase Agreement and in the case of the Barking Property, landlord's consent to the transfer.

Termination Rights

The Property Sale Agreement is terminable in the event that:

- (a) the Sale and Purchase Agreement is terminated; or

- (b) if in the opinion of Vasteras a material adverse change occurs in respect of the Jarrow Property, the Brampton Property and/or the Rugby Property prior to completion of the Property Disposal.

In the event of termination under paragraph (b) above, the Property Sale Agreement is only terminable in relation to the Property which suffered the material adverse change.

For these purposes material adverse change means:

- (a) in respect of the Brampton Property and the Rugby Property, an event that will have a physical effect on the relevant property or a detrimental effect on the business as carried on at the relevant property which will cause costs or losses to Vasteras in excess of £1 million; and
- (b) in respect of the Jarrow Property, an event that will have a physical effect on the relevant property or a detrimental effect on the business as carried on at the relevant property which will cause costs or losses to Vasteras which exceed £500,000.

Warranties and Indemnities

The Property Sale Agreement includes customary indemnities relating to matters such as title and the leases subject to which the Jarrow Property and the Brompton Property are sold.

In relation to the sale of the shares in Cortonwood (Management) Two Company Limited the Property Sale Agreement contains customary warranties relating to title to the shares.

(C) Rugby Lease

The following is a summary of the material terms of the Rugby Lease. The agreed form Rugby Lease is available for inspection as described in paragraph 13 of part VII of this document.

In accordance with the terms of the Property Sale Agreement, Vasteras and Alba Broadcasting have agreed to enter into the Rugby Lease on completion of the Disposals. Pursuant to the Rugby Lease, Vasteras will grant a lease to Alba Broadcasting to allow Alba Broadcasting to occupy the warehouse parts of the Rugby Property and certain other space at the Rugby Property.

Term

The term commences on completion of the Disposals and ceases on 30 June 2010 unless terminated early by Vasteras on 90 days notice.

Rent and other obligations

The rent payable under the Rugby Lease is a peppercorn.

Alba Broadcasting is also required to pay Vasteras a fair and reasonable proportion of the premiums incurred by the landlord in respect of insurance.

Alba Broadcasting is responsible for all outgoings relating to the demised premises but will have the benefit of all income from the demised premises during the term.

Alba Broadcasting is also liable to keep the premises in no worse a state of repair than they are in at the date of the Disposals.

(D) Transitional Services Agreement

The following is a summary of the material terms of the Transitional Services Agreement. The agreed form Transitional Services Agreement is available for inspection as described in paragraph 13 of part VII of this document.

Harvard and Malmo have agreed to enter into the Transitional Services Agreement on completion of the Disposals. The Transitional Services Agreement provides for certain transitional services to be supplied and re-charged by Harvard to Malmo.

Services to be provided

The transitional services include certain logistics, warehousing, distribution, information technology, administration and compliance services.

Term

The term commences on completion of the Disposals and ends on 30 June 2010.

Costs

Harvard will recharge to Malmo any third party or marginal costs which it incurs in providing the services, but otherwise no fees are payable for providing the services.

PART IV
FINANCIAL INFORMATION ON THE MEDICAL DIVISION

Basis of Preparation

This section contains the income statements of the Medical Division for the years ended 31 March 2007, 2008 and 2009 and the balance sheet as at 31 March 2009. The Medical Division includes: i) Harvard Medical HK (a Hong Kong registered company) and Kinetik Medical which are effectively 80 per cent. subsidiary companies of Harvard; ii) Sonetik HK (a Hong Kong registered company) and Sonetik AG (a Swiss registered Company) which are effectively 75 per cent. subsidiary companies of Harvard, all of which having been accounted for as separate statutory entities since their incorporation; and iii) a trading division that historically has been accounted for within the accounts of Harvard Maritime, a 100 per cent. Hong Kong registered subsidiary of Harvard. The financial information shown below has been extracted, without material adjustment, from the audited accounts.

The financial information set out below does not constitute statutory accounts for the Medical Division nor any UK company within the meaning of section 240 of the Act for any of the years presented. Unqualified audit reports for the years ended 31 March 2007, 2008 and 2009 for all the above mentioned companies have been provided by the auditors of those companies. Shareholders should read the whole of this document and should not just rely on the information contained in this Part IV.

Financial information

(i) Combined income statement for the years ended 31 March 2009, 31 March 2008 and 31 March 2007

	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009
	£'millions	£'millions	£'millions
Revenue	13.8	14.3	9.2
Cost of sales	(11.9)	(12.2)	(7.7)
Gross Profit	1.9	2.1	1.5
Net operating expenses	(1.1)	(1.2)	(2.4)
Operating profit/(loss)	0.8	0.9	(0.9)
Profit/(loss) before tax	0.8	0.9	(0.9)
Tax	(0.1)	(0.1)	0.0
Profit/(loss) for the period	<u>0.7</u>	<u>0.8</u>	<u>(0.9)</u>

(ii) Net asset statement as at 31 March 2009

	31 March 2009
	<u>£millions</u>
Current assets	
Inventories	0.1
Trade and other receivables	1.0
Cash and cash equivalents	0.1
Total current assets	<u>1.2</u>
Total assets	<u>1.2</u>
Current liabilities	
Trade and other payables	(3.2)
Total current liabilities	<u>(3.2)</u>
Total liabilities	<u>(3.2)</u>
Total net liabilities	<u>(2.0)</u>
Equity attributable to equity holders of the parent	
Share capital	0.0
Retained earnings	(2.0)
Total equity	<u>(2.0)</u>

The Medical Division's net liabilities shown above includes intra-group debt amounting to £2.7 million which will be waived in accordance with the Sale and Purchase Agreement.

PART V
CUSHMAN & WAKEFIELD REPORT ON PROPERTY VALUATION



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To: Investec Investment Banking
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2 Gresham Street
London
EC2V 7QP

Portfolio: Four Industrial Properties

Report Date: 4 September 2009

Valuation Date: 14 August 2009

1.1 Instructions

In accordance with your instructions, as confirmed by our letter of engagement dated 21 July 2009, we have considered the properties set out on page 22, which we understand are owned by Harvard Property Holdings Limited, a subsidiary of Harvard International plc (the “Company”).

We have been instructed to prepare this valuation report in order to advise you of our opinion as to the Market Value of the freehold or leasehold interests (as appropriate) in each of the properties (the “Properties”). The effective date of the valuation is 14 August 2009. We understand that this valuation report (the “Valuation Report”) is required in relation to a circular (the “Circular”) to be sent to Shareholders of the Company, for the purpose of enabling the Company to comply with the requirements of the Listing Rules.

1.2 Basis of Valuation

The valuation and report have been prepared in accordance with the RICS Valuation Standards, 6th Edition as amended (the “Red Book”) by a valuer acting as an External Valuer, as defined within the Red Book.

The valuation and report have also been prepared in accordance with International Valuation Application 1 (IVA 1) of the International Valuation Standards produced by the International Valuation Standards Committee (IVSC).

We confirm that this valuation is a “Regulated Purpose Valuation” as defined in the Red Book.



Cushman & Wakefield LLP is a limited liability partnership registered in England & Wales with registration number OC328588. The term partner is used to refer to a member of Cushman & Wakefield LLP or an employee or consultant with equivalent standing and qualifications. A list of members of the LLP is open to inspection at our registered office at 43/45 Portman Square, London, W1A 3BG. Regulated by the Royal Institution of Chartered Surveyors.

The Properties have been valued on the basis of Market Value subject to any existing leases and otherwise assuming vacant possession.

Market Value is defined in the Red Book as follows:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

1.3 Assumptions, Departures and Reservations

We can confirm that our valuation is not made on the basis of any special assumptions or any departures from the Practice Statements contained in the Red Book. Subject to the general limitations of our inspections and sources of information set out below, our valuation is not subject to any specific reservations in relation to restricted information or property inspection.

Tenure and Tenancies

We have not had access to the Title Deeds and our valuation has been based on the information which the Company has supplied to us as to tenure, tenancies and statutory notices.

Unless disclosed to us to the contrary, our valuation is on the basis that:

- (a) each property possesses a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances;
- (b) in respect of leasehold properties, there are no unreasonable or unusual clauses which would affect value and no unusual restrictions or conditions governing the assignment or disposal of the interest;
- (c) leases to which the properties are subject are on full repairing and insuring terms, and contain no unusual or onerous provisions or covenants which would affect value;
- (d) in respect of leases subject to impending or outstanding rent reviews and lease renewals, we have assumed that all notices have been served validly and within appropriate time limits;
- (e) the properties valued exclude mineral rights, if any; and
- (f) vacant possession can be given for all accommodation which is unlet, or occupied either by the Company or by its employees on service occupancies.

Town Planning

We have not made formal searches, but have generally relied on verbal enquiries and any informal information received from the Local Planning Authority. In general, our verbal enquiries of the Local Planning Authorities have yielded only limited planning information.

In the absence of information to the contrary, our valuation is on the basis that the properties are not affected by proposals for road widening or Compulsory Purchase.

Our valuation is on the basis that each property has been erected either prior to planning control or in accordance with a valid planning permission and is being occupied and used without any breach of planning or building regulations. We further assume that for each property a fire risk assessment has been undertaken and that there are no outstanding obligations or liabilities arising out of the provisions of the Defective Premises Act 1972, the Disability Discrimination Act 1995 or similar legislation.

Structure

We have neither carried out a structural survey of any property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not inspected those parts of any property which are covered, unexposed or inaccessible and our valuation is on the basis that they are in good repair and condition.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of any property.

Site and Contamination

We have not investigated ground conditions/stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed having appropriate regard to existing ground conditions. In respect of any properties with development potential, our valuation is on the basis that there are no adverse ground conditions which would affect building costs.

We have not carried out any investigations or tests, nor been supplied with any information from the Company or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation.

In respect of any high voltage electrical supply equipment close to the property, the possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (NRPB), an independent body with responsibility for advising on electromagnetic fields, has advised that, following studies in 2000 and 2001, there may be a risk, in specified circumstances, to the health of certain categories of people. The perception of this risk may affect the marketability and value of property close to such equipment.

Plant and Machinery

In respect of freehold properties, usual landlord's fixtures such as lifts, escalators and central heating have been treated as an integral part of the building and are included within the asset valued. In the case of all leasehold property, unless advised to the contrary, these items have been treated as belonging to the landlord upon reversion of the lease.

Process related plant/machinery and tenants' fixtures/trade fittings have been excluded from our valuation.

1.4 Inspection

We inspected the properties on 23 and 24 July 2009. The properties were inspected internally and externally from ground level.

1.5 General Principles

Our valuation is based on the information which either the Company has supplied to us or which we have obtained from our enquiries. We have relied on this being correct and complete and on there being no undisclosed matters which would affect our valuation.

Our opinion of value is based on an analysis of recent market transactions, supported by market knowledge derived from our agency experience. In view of the current state of the market a greater degree of judgment was applied in valuing the properties than usual, due to the lack of relevant market evidence. Please note the comment below regarding market uncertainty.

Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

A valuation is a prediction of price, not a guarantee. By necessity it requires the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a purchaser, or another valuer. Historically it has been considered that valuers may properly conclude within a range of possible values.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the property is given proper exposure to the market. In a rapidly rising market, or in the case of a property with development potential, the inclusion of a ‘clawback’ provision in the sale contract should also be considered, so that further sums become payable if the property is quickly re-sold at a profit.

You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

Market Uncertainty

Where uncertainty could have a material effect on an opinion of value, the Red Book requires the valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

The global banking crisis and consequent reduction in the availability of debt, coupled with the economic downturn, have caused UK property values to experience sharp falls in value and liquidity, with fewer transactions being completed.

Although some recent transactions could be considered distressed, it is inappropriate to conclude that all recent market activity represents forced transactions. An imbalance between supply and demand (for example, fewer buyers than sellers) is not always a determinant of a forced transaction. A seller might be under financial pressure to sell, but it is still able to sell at a market price if there is more than one potential buyer in the market and a reasonable amount of time is available for marketing. Similarly, transactions initiated during bankruptcy should not automatically be assumed to be forced.

It has been held that valuers may properly conclude within a range of values. This range is likely to be greater in an illiquid market where inherent uncertainty exists and a greater degree of judgement must therefore be applied.

Some parts of the market, particularly for secondary or vacant properties, have experienced unusually low transaction volumes. As a consequence, there has been a significant reduction in market evidence upon which to base our valuation and so we have had to exercise a greater degree of judgement than usual. We have considered both current and historic market evidence available and endeavoured to reflect current market sentiment, although the signals are mixed.

You should also anticipate a longer marketing period than would previously have been expected in the event that the properties are offered for sale.

1.6 Valuation

These are aggregated figures of the individual values for each property valued. If the properties were to be sold as a single lot or in groups of properties, the total value could differ significantly.

Our opinion of the aggregate Market Value as at 14 August 2009 of the freehold and leasehold interests held in the Properties is:

£8,530,000

(Eight Million Five hundred and Thirty Thousand Pounds)

We set out the value ascribed to each property below.

<u>Property</u>	<u>Interest Valued</u>	<u>Property Type</u>	<u>Size (GIA)</u>	<u>Market Value</u>
Mill Road, Rugby, CV21 1PR . . .	Freehold	Industrial	16,064.6 sq m (172,920 sq ft)	£2,880,000
Cortonwood Business Park, Barnsley, S73 0UF	Leasehold	Industrial	13,107.8 sq m (141,091 sq ft)	£4,200,000
13-14 Shaftesbury Avenue, Jarrow, South Shields, NE32 3UP	Freehold	Industrial	8,450.5 sq m (90,961 sq ft)	£1,000,000
Harvard House, 14-16 Thames Road, Barking, IG11 0HX	Leasehold	Industrial	2,557.4 sq m (27,528 sq ft)	£450,000
Total				£8,530,000

1.7 Valuation for a Regulated Purpose

This valuation is classified by the Red Book as a Regulated Purpose Valuation and we are therefore required to disclose the following information.

The valuation was prepared by Mark Woolfitt MRICS and reviewed by Oliver Close MRICS and Rupert Dodson FRICS. The signatories to this report have not previously been signatory to valuations for the Company for the same purpose, however you should be aware that we previously valued the properties for the Company for accounts purposes as at 31 March 2009.

Cushman & Wakefield LLP provides other professional or agency services to the Company from time to time. In our most recent financial year, Cushman & Wakefield LLP received less than 5 per cent. of its total fee income from the Company.

This Valuation Report has been prepared for inclusion in the Circular.

1.8 FSA Compliance

In preparing this Valuation Report, we have complied with the requirements of PR 5.6.5G of the Prospectus Rules (and related guidance) published by the Financial Services Authority.

We also confirm that for the purposes of the Listing Rules issued by the Financial Services Authority, neither the signatories to this report or Cushman & Wakefield LLP has an interest (material or otherwise) in the Company.

1.9 Confidentiality, Disclosure and Publication

No reliance may be placed upon the contents of the Valuation Report by any party for any purpose other than in connection with the transaction detailed in the Circular. Before the Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained such approval not to be unreasonably withheld or delayed.

You must not disclose the contents of this Valuation Report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our Valuation Report is to be combined with others.

You must not modify, alter (including altering the context in which the report is displayed) or reproduce the contents of this Valuation Report (or any part) without first obtaining our written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same, including indemnifying Cushman and Wakefield LLP against all consequences of the contravention. Cushman & Wakefield LLP accepts no liability for any use of the Report that is in contravention of this section.

Signed for and on behalf of Cushman & Wakefield LLP

Rupert Dodson FRICS
Partner

Oliver Close MRICS
Partner

Mark Woolfitt MRICS
Associate

PART VI

UNAUDITED PRO FORMA NET ASSETS FOR THE GROUP FOLLOWING THE DISPOSALS

Set out below is an unaudited pro forma statement of consolidated net assets of the Group following the Disposals, which is based on the net assets of the Group as at 31 March 2009, and has been prepared on the basis described in the notes set out below and after making the adjustments described in those notes.

The unaudited pro forma statement of consolidated net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results following the Disposals. Its purpose is to illustrate the effect on the consolidated net assets of Harvard as if the Disposals had taken place on 31 March 2009.

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE GROUP FOLLOWING THE DISPOSALS

	Adjustments					Pro Forma net assets
	31 March 2009	Medical Division	Waiver of intra-group balances	Disposal of Properties	Disposal of Medical Division	
	£millions	£millions	£millions	£millions	£millions	£millions
Non-current assets						
Property, plant and equipment . . .	4.1	—	—	(2.9)	—	1.2
Investment properties	5.6	—	—	(5.6)	—	—
Other receivables	1.4	—	—	—	—	1.4
Deferred tax	0.2	—	—	—	—	0.2
Total non-current assets	11.3	—	—	(8.5)	—	2.8
Current assets						
Inventories	6.2	(0.1)	—	—	—	6.1
Trade and other receivables	8.6	(1.0)	—	—	—	7.6
Income tax recoverable	0.2	—	—	—	—	0.2
Cash and cash equivalents	24.7	(0.1)	—	8.5	1.3	34.4
Total current assets	39.7	(1.2)	—	8.5	1.3	48.3
Total assets	51.0	(1.2)	—	—	1.3	51.1
Current liabilities						
Trade and other payables	(12.2)	3.2	(2.7)	—	—	(11.7)
Provisions	(4.7)	—	—	—	—	(4.7)
Total current liabilities	(16.9)	3.2	(2.7)	—	—	(16.4)
Total liabilities	(16.9)	3.2	(2.7)	—	—	(16.4)
Total net assets	34.1	2.0	(2.7)	—	1.3	34.7

Notes to the pro forma financial information:

- The pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by Harvard International plc in its last audited financial statements, being for the year ended 31 March 2009.
- The column "31 March 2009" represents the consolidated net assets of the Group as at 31 March 2009, which have been extracted without adjustment from the audited financial statements of the Group.
- The column "Medical Division" represents the adjustment for the total assets and total liabilities of the Medical Division as at 31 March 2009, which have been extracted without adjustment from the audited financial statements of the Group.
- The column "Waiver of intra-group balances" represents the intra-group balances that have been excluded in accordance with the Sale and Purchase Agreement.
- The column "Disposal of Properties" represents the adjustment for the Properties as at 31 March 2009, which have been extracted without adjustment from the audited financial statements of the Group, and the cash proceeds resulting from the sale of the Properties.
- The column "Disposal of Medical Division" represents the estimated cash proceeds resulting from the sale of the Medical Division, net of costs. The estimated proceeds are based on the net assets of the Medical Division as at 31 March 2009, including a cash adjustment resulting from actual net assets at 31 March 2009. The final proceeds will be dependent on the agreed Completion Accounts.
- The column "Pro Forma net assets", being the sum of the preceding columns, represents the pro forma net assets of the Group as at 31 March 2009 following the Disposals.
- No adjustment has been made to the unaudited pro forma statement of consolidated net assets of the Group to reflect the trading results since 31 March 2009.

4 September 2009

The Board of Directors
Harvard International plc
Harvard House
The Waterfront
Elstree Road, Elstree
Hertfordshire WD6 3BS

The Directors
Investec Investment Banking
(A division of Investec Bank plc)
2 Gresham Street
London EC2V 7QP

Dear Sirs

**HARVARD INTERNATIONAL PLC DISPOSALS DOCUMENT DATED 4 SEPTEMBER 2009
("THE DOCUMENT")**

We report on the unaudited pro forma financial information set out in Part VI of the Document, which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the disposals of the Medical Division and the Properties might have affected the financial information presented on the basis of the accounting policies adopted by Harvard International plc in preparing the financial information for the period ended 31 March 2009. This report is required by Listing Rule (LR) 13.5.31 and is given for the purpose of complying with that Rule and for no other purpose.

Responsibilities

It is the responsibility of the Directors of Harvard International plc to prepare the pro forma financial information in accordance with LR 13.5.31.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the pro forma financial information and to report our opinion to you.

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

Basis of opinion

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

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

Opinion

In our opinion:

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

Yours faithfully

UHY Hacker Young LLP

Quadrant House
4 Thomas More Square
London
E1W 1YW

UHY Hacker Young LLP is a limited liability partnership registered in England and Wales with Registered Number OC327384.
A list of members' names and their professional qualifications is available for inspection at the Registered Office at the above address.

Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

A member of UHY Hacker Young Group of independent partnerships.
A member of UHY an international association of independent accounting and consulting firms.

PART VII
ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 3.1 below of this document, 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.

2. The Company

- 2.1 The Company was incorporated and registered in England and Wales on 2 April 1963 with registered number 00756128 under the Companies Act 1948 as a company limited by shares with the name Harris Overseas Limited. On 23 June 1982 the Company changed its name to Harvard International Limited. On 28 August 1987 the Company changed its name to Alba Limited and reregistered as a public limited company on 7 September 1987. On 1 April 2009 the Company changed its name to Harvard International plc. The Ordinary Shares are admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities.
- 2.2 The registered office, head office and the principal place of business of the Company is at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS (telephone number +44 20 8238 7660).
- 2.3 The principal legislation under which the Company operates is the Act and the regulations made under the Act.

3. Directors and key individuals

- 3.1 The names and principal functions of the Directors of the Company are set out below:

Bridget Penelope Blow	Non-Executive Chairman
Daniel Bruce Harris	Chief Executive
Andrew David Rose	Finance Director
Michael Ashley	Executive Director
Paul Edward Selway-Swift	Senior Non-Executive Director
Anthony Patrick Shearer	Non-Executive Director

- 3.2 Other than the individuals listed under section 3.1, there are no members of the administrative, supervisory or management bodies who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's prospects.
- 3.3 Following Completion, Daniel Harris will step down from his position as Chief Executive of the Company and will cease to be an employee of the Group. Daniel Harris will remain on the Board as a Non-Executive Director and Michael Ashley will be appointed as the Company's new Chief Executive.
- 3.4 As announced by the Company on 17 June 2009, Andrew Rose has given notice of his intention to resign as a Director and employee of the Group. In the meantime, Andrew Rose will remain with the Group in his current role until the end of September and the Board are actively seeking a replacement.
- 3.5 Christian Stromsted is a key individual who is important to the business of the Medical Division. Christian Stromsted is a party to a shareholders' agreement with certain members of the Medical Division, pursuant to which certain medical devices are to be distributed through Sonetik UK. Further details of this shareholders' agreement are set out in paragraph 8.2 (a) of this Part VII.
- 3.6 Mark Green is also a key individual who is important to the business of the Medical Division. Mark Green is a party to a shareholders' agreement with certain members of the Medical Division, pursuant to which certain medical devices are to be distributed through Kinetik Medical. Further details of this shareholders' agreement are set out in paragraph 8.2 (b) of this Part VII.

4. Directors' interests

4.1 As at 1 September 2009, being the latest practicable date prior to the date of this document, the Directors' interests in the issued share capital of the Company (all of which are beneficial unless otherwise stated) which are required to be notified to the Company pursuant to the Disclosure Rules and the existence of which is known to or could with reasonable diligence be ascertained by the relevant Director, were as follows:

<u>Director's Name</u>	<u>No. of Ordinary Shares Beneficial</u>	<u>No. of Ordinary Shares Non-Beneficial</u>	<u>No. of Ordinary Shares Total</u>	<u>Percentage of Current Issued Share Capital</u>
Bridget Blow	10,000	—	10,000	0.02%
Daniel Harris ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	5,819,818	900,000	6,719,818	13.11%
Andrew Rose ⁽³⁾⁽⁴⁾	231,649	—	231,649	0.45%
Michael Ashley	—	—	—	—
Paul Selway-Swift	5,760	—	5,760	0.01%
Anthony Shearer	—	—	—	—

Notes:

- (1) Daniel Harris has a beneficial interest in 1,800,000 Ordinary Shares which are held through a trust.
- (2) Daniel Harris has a non-beneficial interest of 900,000 Ordinary Shares by virtue of being a trustee of a trust.
- (3) In addition to the interests disclosed at paragraph 4.3 below.
- (4) In addition to the interests disclosed at paragraph 4.6 below.

4.2 The total number of Ordinary Shares in issue as at 1 September 2009 was 51,256,685 Ordinary Shares.

4.3 As at 1 September 2009, being the latest practicable date prior to the date of this document, the following options over Ordinary Shares have been granted to Directors under the Share Option Schemes and remain outstanding:

<u>Director's Name</u>	<u>Scheme</u>	<u>No. of Ordinary Shares</u>	<u>Exercise Price (p)</u>	<u>Exercise Period</u>
Daniel Harris	1996 Executive Share Option Scheme*	100,000	73.25	08.01.2011–07.01.2015
Andrew Rose	1996 Savings-Related Share Option Scheme	568	350.0	01.02.2010–31.07.2010
	1996 Savings-Related Share Option Scheme*	29,366	62.4	01.03.2015–31.08.2015
	1996 Executive Share Option Scheme*	40,955	73.25	08.01.2011–07.01.2018
	1996 Executive Share Option Scheme*	59,045	73.25	08.01.2011–07.01.2015
Michael Ashley	1996 Savings-Related Share Option Scheme*	15,384	62.4	01.03.2011–31.08.2011
	1996 Executive Share Option Scheme	8,042	373.0	01.07.2008–30.06.2015
	1996 Executive Share Option Scheme	1,958	373.0	01.07.2008–30.06.2012
	1996 Executive Share Option Scheme*	100,000	73.25	08.01.2011–07.01.2015

* Granted under the renewed Share Option Schemes.

Note:

Following the return of cash of 30 pence per Ordinary Share paid to Shareholders in January 2009, the Company recently agreed with HM Revenue & Customs the basis for adjusting the Exercise Price and number of Ordinary Shares for subsisting options granted under the Share Option Schemes.

In accordance with this agreement holders of subsisting options will be advised that the number of Ordinary Shares granted to them will be increased by a factor of 1.4768211 and the relevant Exercise Price will be reduced by a factor of 0.67713.

4.4 Outstanding options granted under the terms of the 1996 Executive Share Option Schemes are not normally exercisable until the third anniversary of the date of grant and are subject to the following performance conditions:

Over a continuous period of at least three years commencing no earlier than the financial year during which the option is granted, the average percentage growth in the adjusted EPS (earnings per share) of the Company must exceed the average percentage growth in the Retail Prices Index over the same period by a minimum of 2 per cent. per annum. These conditions were based on standard practice at the time the Share Option Schemes were established.

4.5 Outstanding options granted under the terms of the renewed 1996 Executive Share Option Scheme are not normally exercisable until the third anniversary of the date of grant and are subject to the following performance conditions:

Should the increase in the share price between the date of grant and the third anniversary of the grant be:

- (i) over 30 per cent. then 25 per cent. of the option granted can be exercised,
- (ii) over 60 per cent. then 100 per cent. of the option granted can be exercised,
- (iii) between 30 per cent. and 60 per cent. the number that can be exercised will be determined by a straight line graph.

4.6 As at 1 September 2009, being the latest practicable date prior to the date of this document, the Directors have the following interests in Ordinary Shares under the LTIP:

<u>Name</u>	<u>No. of Ordinary Shares</u>	<u>Effective date of award</u>
Bridget Blow	—	—
Daniel Harris*	—	—
Andrew Rose*	—	—
Michael Ashley	—	—
Paul Selway-Swift	—	—
Anthony Shearer	—	—

* As announced on 27 August 2009, the awards of Ordinary Shares conditionally awarded to Daniel Harris and Andrew Rose on 1 July 2006 have lapsed.

Under the LTIP, a conditional award of Ordinary Shares is made on terms that the relevant Ordinary Shares will be held by the ESOT in trust for a period of three years from the award date (the “performance period”) and their release is conditional and will be allocated in equal proportions to the achievement of two performance targets during the performance period. The performance criteria which must be met for the awards set out above to vest require (i) the increase in the Company’s total shareholder return to outperform the applicable sub-section of the FTSE Actuaries Industry Sector by 9 per cent. or more; and/or (ii) the Company’s average percentage increase in Earnings Per Share during its three financial years commencing on 1 April immediately preceding the award date to exceed the average percentage increase in the Retail Prices Index during the same period by 3 per cent. per annum or more. In the event that either performance criteria is met 50 per cent. of the shares conditionally awarded will be released.

The Long-Term Incentive Plan which was adopted by the Company on 18 September 1998 terminated on the tenth anniversary of its adoption by the Company. The Remuneration Committee is considering the terms of a new plan.

4.7 Praxis Trustees Limited, which is licensed by the Guernsey Financial Services Commission, is the trustee of the ESOT.

4.8 The ESOT is an independent trust which holds the shares for the benefit of employees of the Group. As at 1 September 2009, being the latest practicable date prior to the date of this document, the ESOT held 678,112 Ordinary Shares.

4.9 Save as set out in this paragraph 4, none of the Directors has any interest in the issued share capital of the Company.

4.10 Save for the interests of Daniel Harris and Andrew Rose in the Disposals, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was material to the business of the Group and which was effected by a member of the Group during the current or immediately preceding financial year or during any earlier financial year and which remains in any respect outstanding or unperformed.

5. Director's Service Contracts

5.1 Apart from Michael Ashley who has a contract of employment with Alba Broadcasting, each of the Executive Directors has a service agreement with the Company and each of the Non-Executive Directors has a letter of appointment with the Company. Details of the principal terms of employment or appointment (including salary) are set out below. Apart from Michael Ashley, whose contractual notice period is six months, each of the Executive Directors is employed on a rolling service contract subject to one year's notice. Details of the employing Group company, the dates of each service or employment contract and each Director's current annual salary are as follows:

<u>Name</u>	<u>Date of contract</u>	<u>Employing Group Company</u>	<u>Current annual salary</u>
Daniel Harris	4 September 1987	Harvard International plc	£300,000
Andrew Rose	4 September 1987	Harvard International plc	£250,000
Michael Ashley	4 October 2004	Alba Broadcasting Corporation Limited	£250,000

5.2 The service contracts of Daniel Harris, Andrew Rose and Michael Ashley have been amended to provide for an annual salary review in April each year.

5.3 Each Executive Director is entitled to a car allowance and benefit of private medical and death in service insurance.

5.4 Each of Daniel Harris, Andrew Rose and Michael Ashley are entitled to receive contributions by the Company to a stakeholder pension scheme of 19.6 per cent., 19.5 per cent. and 10 per cent. respectively, of their annual salaries.

5.5 Daniel Harris, Andrew Rose and Michael Ashley were entitled to a cash bonus scheme which for the year ended 31 March 2009 had a maximum of 75 per cent. of salary and pays:

25 per cent. of salary for achieving budget (the achieved numbers include the cost of the scheme);

10 per cent. of salary for 90 per cent. of budget achieved (nothing for less);

50 per cent. of salary for 10 per cent. over budget and 75 per cent. of salary for 15 per cent. over budget.

A straight-line graph determines the points between 10 per cent. and 75 per cent. of salary.

No cash bonus was payable for the year ended 31 March 2009. A similar scheme is being finalised for the year ending 31 March 2010 for Michael Ashley and any new executive directors that are appointed following the date of this Circular.

5.6 Under the terms of each service contract, on termination by the employing company, except in the case of dismissal for cause, the employing company shall make a payment to the Executive Director equal to:

(a) the Executive Director's basic salary for the period of notice; and

(b) the cost of provision of pension and benefits for the notice period.

Such payment will be reduced proportionally in the event that the Executive Director works part of his period of notice.

Daniel Harris has agreed to waive the above benefits and all claims for compensation in relation to his appointment as an Executive Director and as an employee of the Group, when he resigns upon Completion.

5.7 Neither Paul Selway-Swift nor Anthony Shearer, the independent Non-Executive Directors of the Company, nor Bridget Blow, the Non-Executive Chairman, has any service contract with the Company or any period of notice for termination of their appointment. With the exception of Paul Selway-Swift,

who has been a Director of the Company for more than nine years and retires and seeks reappointment annually, their reappointment is considered every three years by the Board and, if the Board recommend such reappointment, by the Company. There are no compensation provisions for early termination of Non-Executive Director appointments.

- 5.8 As mentioned in paragraph 3.3 above, Daniel Harris will remain on the Board as a Non-Executive Director following Completion. The terms of Daniel Harris' appointment as a Non-Executive Director shall be the same as those of the other Non-Executive Directors.
- 5.9 Pursuant to the terms of Daniel Harris' appointment as a Non-Executive Director, he shall be under an obligation not to engage in or be interested in any business which is in competition with the Company. The other Non-Executive Directors have agreed that their terms of appointment shall be varied to include the same obligation, with effect from Completion.
- 5.10 Save as disclosed in this paragraph 5, there have been no other benefits which are receivable by the Directors upon termination of their employment.

6. Share capital

- 6.1 Insofar as is known to the Company, as at 26 August 2009 (being the latest practicable date prior to the publication of this document), the following persons other than Directors are interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company:

<u>Shareholder</u>	<u>No. of Ordinary Shares</u>	<u>Percentage of Issued Share Capital</u>
GAM London Limited	8,185,012	15.97%
Schroders plc	6,722,962	13.12%
Legal & General Investment Management Ltd.	6,133,222	11.96%
Mrs. A J Kaye, sister of Daniel Harris	5,830,367	11.37%
Mr. J E Harris, father of Daniel Harris	5,310,821	10.36%
Pailex Securities International Inc*	2,532,947	4.94%

* Included in the beneficial interests of Daniel Harris are 2,532,947 Ordinary Shares registered in the name of Pailex Securities International Inc as nominee for Paicolex Trust Company (BVI) Limited and Paicolex Trust Management AG.

- 6.2 Save as set out in paragraphs 4.1 and 6.1, the Company is not aware of any person who is interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company.

7. Working capital

The Company is of the opinion that, after taking into account the Net Proceeds and bank facilities available to the Continuing Group following the Disposals, the Continuing Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this document.

8. Material contracts

- 8.1 The following contracts are all of the contracts (not being contracts entered into in the ordinary course of business) which (i) have been entered into by the Continuing Group within the two years preceding the date of this document and are, or may be, material; or (ii) (regardless of when entered into) are contracts which contain provisions under which any member of the Continuing Group has an obligation or entitlement which is material to the Continuing Group as at the date of this document:

(a) *Sale and Purchase Agreement*

The Sale and Purchase Agreement entered into in relation to the Medical Disposal, details of which are set out in Part III of this document.

(b) *Property Sale Agreement*

The Property Sale Agreement entered into in relation to the Property Disposal, details of which are set out in Part III of this document.

(c) *Alba and Bush Trademarks sale agreement*

Pursuant to a sale agreement dated 26 November 2008 between Alba Broadcasting, Harvard and Argos Limited, Alba Broadcasting and Harvard agreed to dispose of the Alba and Bush Trademarks for a consideration of £15,250,000. Pursuant to the sale agreement, Alba Broadcasting and Harvard gave certain warranties and indemnities which are usual for a transaction of this nature.

(d) *Roadstar Sale Agreement*

Harvard Europe entered into a sale agreement dated 12 December 2007 with Antonio Coda, pursuant to which the entire issued share capital of the Roadstar Group was sold to Antonio Coda for a consideration of €1. No warranties or indemnities were given by Harvard Europe pursuant to this agreement, other than standard warranties relating to title to the shares.

(e) *Roadstar Management Deed of Waiver*

Pursuant to the Roadstar Management Deed of Waiver dated 1 February 2008, Harvard Maritime released and discharged Roadstar Management from the obligation to repay to Harvard Maritime the sum of US\$5,486,000. Roadstar Management also agreed to pay certain sums to Harvard Maritime and Harvard Europe and to pay Harvard Maritime a percentage of its future profits.

(f) *Roadstar Italia Deed of Waiver*

Pursuant to the Roadstar Italia Deed of Waiver dated 1 February 2008, Harvard Maritime released and discharged Roadstar Italia from the obligation to repay Harvard Maritime the amount of US\$822,000.

(g) *Roadstar Trade Mark Licence*

Pursuant to the Roadstar Trade Mark Licence dated 1 February 2008, Roadstar Management granted to Roadstar UK Limited, a company within the Group, a royalty free licence to sell Roadstar branded products within the United Kingdom and the Republic of Ireland for a period of four years following the disposal of the Roadstar Group.

(h) *Grundig Sale Agreement*

Harvard Europe entered into a sale agreement dated 18 December 2007 with Beko and Arcelik A.S. pursuant to which Harvard Europe sold its 50 per cent. stake in the share capital of Grundig to Beko. The consideration for the sale was the sum of €35 million together with certain deferred payments the quantum of which are dependent upon the future sales of Grundig products. No warranties or indemnities were given by Harvard Europe pursuant to the agreement, other than standard warranties relating to capacity and title to the shares.

(i) *Grundig Trade Mark Licence*

Harvard entered into the Grundig Trade Mark Licence dated 18 December 2007 with Grundig and Grundig Consumer Electronics Limited. Pursuant to this licence Grundig granted to Grundig Consumer Electronics Limited, a company within the Group, a royalty free licence to use the Grundig trademarks in the United Kingdom and the Republic of Ireland in relation to the promotion, distribution and sale of certain Grundig products. The term of the licence runs until 31 December 2010, unless it is terminated earlier for breach.

(j) *Intragroup Transfer Agreement*

An intragroup transfer agreement dated 22 August 2007 was entered into between Harvard Maritime (1), HHHK (2) and Pulse Home Products (Hong Kong) Limited (3). Under the terms of the agreement, the leisure business carried on by Harvard Maritime and HHHK was transferred to Pulse Home Products (Hong Kong) Limited (save for the employees who were to be transferred at a later date to be agreed by the parties) for a total aggregate consideration of £50,000.

(k) *Grundig Australia Agreement*

Pursuant to an acquisition agreement dated 10 September 2007 entered into between Grundig and Bush Australia in respect of the sale and purchase of the entire issued share capital of

Grundig Australia, Grundig sold to Bush Australia the entire issued share capital of Grundig Australia. The consideration was an amount of AUS\$1.00.

The agreement included no warranties save in relation to title to the shares and the capacity of Grundig to enter into the agreement. There was also an indemnity from Grundig to Bush Australia in respect of any damages or losses as a result of any breach of the warranties.

(l) *Purchase of Accounts Receivable Agreement*

Pursuant to the agreement for the purchase of the Grundig Australia accounts receivables and the assignment of claim dated 10 September 2007 entered into between Grundig and Bush Australia, Bush Australia acquired the US\$4,808,000 accounts receivable debt owed by Grundig Australia to Grundig. The consideration for the assignment of debts was AUS\$225,000 subject to amendment should the debt decrease in nominal value by 50 per cent. Grundig gave no warranties in relation to the agreement.

(m) *Australian Trade Mark Licence*

Pursuant to the Australian Trade Mark Licence, Bush Australia licensed the trade mark “Grundig” in Australia, New Zealand and the Australian Islands to manufacture or have manufactured all products bearing the trade marks owned by Grundig (including the “Grundig” trademark) including all consumer electronic products for personal, portable and home use. Such products can be sold and distributed by Bush Australia in such territories. The Australian Trade Mark Licence expires on the date falling five years from 10 September 2007 unless terminated earlier upon one of the grounds set out in the licence. The use of the “Grundig” trademark by Bush Australia is free of charge.

(n) *Amendment to Australian Trade Mark Licence*

Pursuant to the Amendment to the Australian Trade Mark Licence, Bush Australia agreed with Grundig to, inter alia, extend the term of the licence to five years from 18 December 2007, to amend the category of products which Bush Australia can sell so as to exclude major white goods such as dishwashers, refrigerators, washing machines and air conditioners and to remove the requirement that Bush Australia remains an affiliate of Beko.

(o) *Intra Group Business Purchase Agreement*

Pursuant to an intra-group business purchase agreement dated 28 March 2008, the entire businesses and assets (including trademarks) of Goodmans Radio plc, Harvard Radio Limited, Goodmans Industries Limited and Classicshire were transferred to Alba Broadcasting. The transfers had an effective date of 1 April 2008. The consideration payable for the transfers was as follows: (i) (£29,192,667) for the business and assets of Goodmans Radio plc; (ii) (£7,881,510) for the business and assets of Harvard Radio Limited; (iii) (£4,688,584) for the business and assets of Goodmans Industries Limited; and (iv) £19,414,906 for the business and assets of Classicshire. Pursuant to the agreement the transferors indemnified Alba Broadcasting against all liabilities arising from the businesses prior to the effective date and Alba Broadcasting indemnified the transferors against all liabilities arising from the businesses on and from the effective date. No warranties were given under the agreement.

(p) *Deed of Waiver of HCHK Debt*

HCHK entered into a deed of waiver with Harvard Maritime dated 22 July 2009. Pursuant to the terms of this deed of waiver, Harvard Maritime waived and released HCHK from all intra Group debts owed to it by HCHK as at 31 March 2009. The total amount of such intra Group debts was HK\$624,823,849.

(q) *Deed of Waiver of Alba Broadcasting Debt*

Alba Broadcasting entered into a deed of waiver with HCHK dated 22 July 2009. Pursuant to the terms of this deed of waiver, HCHK waived and released Alba Broadcasting from all intra Group debts owed to it by Alba Broadcasting as at 31 March 2009. The total amount of such intra Group debts was HK\$1,034,366,730.

8.2 The following contracts are all of the contracts (not being contracts entered into in the ordinary course of business) which (i) have been entered into by the Medical Division within the two years preceding the date of this document and are, or may be, material; or (ii) (regardless of when entered

into) are contracts which contain provisions under which any member of the Medical Division has an obligation or entitlement which is material to the Medical Division as at the date of this document:

(a) *Sonetik Shareholders Agreement*

Pursuant to a deed of variation to a shareholders' agreement dated 4 June 2009 entered into by (inter alia) Christian Stromsted, Harvard Medical and Sonetik UK, Harvard Medical and Sonetik UK agreed to replace certain parties to an older shareholders' agreement dated 22 November 2007. Pursuant to the terms of the shareholders' agreement (as amended), Christian Stromsted and Harvard Medical agreed to use Sonetik UK for the wholesale distribution of hearing aids, hearing testing equipment, hearing instrument accessories and other devices worldwide. Harvard Medical acquired 75 per cent. of the issued share capital of Sonetik UK and Christian Stromsted acquired the remaining 25 per cent.

(b) *Kinetik Medical Shareholders Agreement*

Harvard Medical, Mark Green and Kinetik Medical entered into a new shareholders' agreement dated 4 June 2009. The new shareholders' agreement replaced an older shareholders' agreement dated 28 November 2007 between the same parties, which was terminated on 4 June 2009. Pursuant to the terms of the new shareholders' agreement, Harvard Medical and Mark Green agreed to use Kinetik Medical for the wholesale distribution of non-invasive consumer medical products (including hearing aids, sighted glasses and other products) worldwide. Harvard Medical acquired 80 per cent. of the issued share capital of Kinetik Medical and Mark Green acquired the remaining 20 per cent.

(c) *Emil Jachmann and Associates Agreement*

Harvard America has entered into an agreement with Emil Jachmann and Associates whereby Emil Jachmann and Associates will provide certain product development services to the Medical Division in return for a payment of US\$72,500 per month (commencing on 1 April 2009) during the first twelve months. The agreement can be terminated at the option of Harvard America after 1 October 2009.

8.3 The following contracts are all of the contracts (not being contracts entered into in the ordinary course of business) which (i) have been entered into within the two years preceding the date of this document and are, or may be, material in relation to the Properties; or (ii) (regardless of when entered into) contain an obligation or entitlement which is material in relation to the Properties as at the date of this document:

(a) *Barking Property lease*

A lease dated 14 March 1979 was entered into between The Mayor and Burgesses of the London Borough of Barking (1) and Classicshire (2) in relation to the Barking Property. This lease contains covenants relating to payment of rent and other usual tenant's covenants which will technically continue to bind Classicshire, Harvard Property and the Company after Completion but which will be the subject of an indemnity covenant from Aalborg. The lease is for a term of 99 years from 14 March 1979.

(b) *Brampton Property lease*

A lease dated 11 November 2002 was entered into between Cortonwood Limited (1), Classicshire (2), Cortonwood (Management) Company Limited (3) and Cortonwood Retail Park Limited (4) in relation to the Brampton Property. This lease is to be assigned to Vasteras upon Completion. The lease is for a term of 200 years from 11 November 2002.

(c) *Brampton Property underlease*

Pursuant to an underlease dated 31 March 2008 entered into between Harvard Property and UPS SCS (UK) Ltd, the Brampton Property was underlet as a whole to UPS SCS (UK) Ltd. The Brampton Property shall be sold subject to this underlease. The underlease contains usual landlord's covenants including an obligation to repair inherent defects which will technically continue to bind Harvard Property after Completion but which will be the subject of an indemnity covenant from Vasteras. The underlease runs for a term of 5 years from 31 March 2008.

(d) *Jarrow Property lease*

Pursuant to a lease dated 6 March 2009 between Harvard Property and North European Marine Services Limited, the Jarrow Property less the offices within it was underlet to North European Marine Services Limited. The Jarrow Property shall be sold subject to this underlease. The underlease runs for a term from 6 March 2009 to 5 May 2012.

9. Litigation

9.1 Continuing Group

- (a) Save as set out in paragraph 9.1(b) below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document which may have or have had in the recent past, significant effects on the Continuing Group's financial position or profitability.
- (b) In March 2008, certain members of the MPEG LA Consortium instigated legal proceedings against Harvard in relation to alleged patent infringement in respect of the prior importation of two models of MPEG2 enabled DVD players. In July 2009, the claimants amended their claim to include all relevant Group products.

The potential liability of the Group in respect of this litigation is currently unquantifiable, but the Directors believe that an estimation of the largest reasonably foreseeable award against the Group in the UK is approximately US\$8 million.

The Group has a number of strong defences to this action and has been fighting these allegations vigorously. Recently, there have been procedural hearings in the English courts and these have found, largely, in Harvard's favour. The first of the substantive issues is due to come to trial in early 2010.

The Group provided in its accounts for the year ended 31st March 2009 for what it believed to be the most likely outcome, inclusive of costs, of this litigation process. This litigation, however, involves substantial sums and an unfavourable outcome could have a material effect on the Company's business. The Group now believes further provision may be required in respect of costs although the total amount inclusive of costs is not expected to exceed US\$8 million.

9.2 Medical Division

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document which may have or have had in the recent past significant effects on the Medical Division's financial position or profitability.

9.3 Properties

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document which may have or have had in the recent past significant effects on the financial position or profitability of the Properties.

10. Significant change

10.1 Continuing Group

There has been no significant change in the financial or trading position of the Continuing Group since 31 March 2009, being the date to which the audited financial statements have been made up.

10.2 Medical Division

There has been no significant change in the financial or trading position of the Medical Division since 31 March 2009, being the date to which the financial information for the Medical Division, set out in Part IV of this document, has been made up.

10.3 Properties

There has been no significant change in the financial or trading position of the Properties since 14 August 2009, being the date of the valuation in the Valuation Report set out in Part V of this document.

11. Related party transactions

Save as set out in paragraph 13 of Part I of this document and save as previously published the Company confirms that there have been no related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No. 1606/2002) involving the Company during the last three financial years ended 31 March 2007, 2008 and 2009 and for the period between 31 March 2009 and 4 September 2009 (being the date of this document). The Company further confirms that save as set out in paragraph 13 of Part I of this document there have been no related party transactions between the Company and Daniel Harris, John Harris or Andrew Rose or their respective associates during such period.

12. Miscellaneous

12.1 UHY Hacker Young LLP has given and has not withdrawn its written consent to the inclusion herein of the references to its name and to the report on the “Unaudited pro forma net assets for the Group following the Disposals” as set out in Part VI in the form and context in which they are included.

12.2 Investec Investment Banking has given and has not withdrawn its written consent to the inclusion herein of the references to its name in the form and context in which they are included.

12.3 Cushman & Wakefield LLP has given and not withdrawn its written consent to the inclusion herein of the references to its name and to the “Cushman & Wakefield report on property valuation” as set out in Part V in the form and context in which they are included.

13. Documents available for inspection

13.1 Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company’s registered office, Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, from the date of this document up to and including the date of the General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated accounts of the Company for the years ended 31 March 2007, 31 March 2008 and 31 March 2009;
- (c) the Valuation Report;
- (d) the material contracts referred to in paragraph 8 of this Part VII;
- (e) the Directors’ service contracts referred to in paragraph 5 of this Part VII;
- (f) the written consents referred to above in paragraph 12 of this Part VII; and
- (g) this document and the Form of Proxy.

4 September 2009

PART VIII
DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

“Aalborg”	Aalborg LLP a limited liability partnership registered in England and Wales under number OC346884;
“ABI Guidelines”	the guidelines published by the Association of British Insurers and other members of the Institutional Shareholders Committee;
“Act”	the applicable provisions of the Companies Act 1985 and the Companies Act 2006 from time to time in force and as they are supplemented and amended;
“Admission”	admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Resolution”	the special resolution numbered 3 to be proposed at the General Meeting to approve the Move to AIM, as set out in the Notice of General Meeting;
“AIM Rules”	the AIM rules issued by the London Stock Exchange in relation to AIM traded securities;
“Alba & Bush Trademarks”	the trademarks Alba & Bush and all registrations of them worldwide (except in Australia and New Zealand) together with certain other intellectual property associated with such trademarks;
“Alba Broadcasting”	means Alba Broadcasting Corporation Limited, a company registered in England and Wales with company number 02521772 and a wholly owned subsidiary of the Group;
“Articles of Association”	the articles of association of the Company;
“Australian Trade Mark Licence”	the trade mark licence and distribution agreement dated 1 April 2007 which came into effect on 10 September 2007 between Grundig and Bush Australia;
“Barking Property”	the leasehold land at 14 & 16 Thames Road, Barking;
“Beko”	Beko Elektronik A.S. a company incorporated in Turkey under number 93237/0;
“Board” or “Directors”	the board of directors of the Company;
“Brampton Property”	the leasehold property on the south east side of Cortonwood Drive, Brampton;
“Bush Australia”	Bush Australia Pty Limited a company registered in Australia and a wholly owned subsidiary of the Group;
“Business Day”	any day (other than a Saturday, Sunday or a bank or public holiday) during which clearing banks are open for business in the City of London;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“Cash Proceeds”	means the sum of £10 million payable in cash on Completion;
“certificated” or “certificated form”	not in uncertificated form (that is not in CREST);
“Circular”	this document;

“Classicshire”	Classicshire Limited a company registered in England and Wales with company number 584286;
“Combined Code”	the Combined Code on Corporate Governance issued by the Financial Reporting Council dated June 2008;
“Company” or “Harvard”	Harvard International plc, a company registered in England and Wales under number 00756128;
“Completion”	the completion of the Disposals;
“Continuing Group”	Harvard and its subsidiary undertakings (as defined in the Act) following the Disposals;
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“Delisting”	the cancellation of the listing of the Ordinary Shares on the Official List and from trading on the London Stock Exchange’s main market for listed securities;
“Disclosure Rules”	the disclosure and transparency rules of the FSA made under Part VI of FSMA;
“Disposal Agreements”	the Sale and Purchase Agreement, the Property Sale Agreement, the Rugby Lease and the Transitional Services Agreement;
“Disposal Resolutions”	the ordinary resolutions numbered 1 and 2 to approve the Disposals as set out in the Notice of General Meeting;
“Disposals”	the Medical Disposal and the Property Disposal;
“ESOT”	the Alba plc ESOP Trust;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“European Union”	the confederation of European nations created by the Treaty for European Union;
“Executive Directors”	the executive directors of the Company at the date of this document, being Daniel Harris, Andrew Rose and Mike Ashley;
“Executive Scheme”	the 1996 Executive Share Option Scheme;
“Exercise Price”	the price at which options may be exercised under the Share Option Schemes;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;

“FSA”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the General Meeting of the Company convened by the Notice of General Meeting to be held at 10.30 a.m. on Wednesday 30 September 2009 at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS or any reconvened meeting following any adjournment thereof;
“Group”	in respect of any time prior to Completion, Harvard and its subsidiaries and subsidiary undertakings including the Medical Division and the Properties and, in respect of any time following Completion, the Continuing Group;
“Grundig”	Grundig Multimedia B.V. a company incorporated in the Netherlands under number 34203485;
“Grundig Trade Mark Licence”	the trade mark licence entered into between Grundig, Grundig Consumer Electronics Limited and Harvard;
“Hamsard 3150”	Hamsard 3150 Limited a company registered in England and Wales with company number 6388994;
“Harvard America”	Harvard America Inc a company incorporated in Delaware;
“Harvard Europe”	Harvard Europe Limited a company registered in England and Wales with company number 2238907;
“Harvard Maritime”	Harvard Maritime Limited a company incorporated in Hong Kong under number 701195;
“Harvard Medical”	Harvard Medical Devices UK Limited a company incorporated in England and Wales with company number 6875329;
“Harvard Medical HK”	Harvard Medical Devices Limited a company registered in Hong Kong under number 1090723;
“Harvard Property”	Harvard Property Holdings Limited a company registered in England and Wales with company number 1654996;
“Harvard Research”	Harvard Research Limited a company registered in England and Wales with company number 6875331;
“HIHK”	Harvard International (HK) Limited a company incorporated in Hong Kong under number 385408;
“IFRS”	International Financial Reporting Standards;
“Independent Directors”	Bridget Blow, Paul Selway-Swift, Tony Shearer and Michael Ashley;
“Investec”	Investec Investment Banking, a division of Investec Bank plc, whose registered office is at 2 Gresham Street, London EC2V 7QP;
“Jarrow Property”	the freehold land and buildings on the south east side of Shaftesbury Avenue, Jarrow;
“Kinetik Medical”	Kinetik Medical Devices Limited a company incorporated in England and Wales with company number 6778337;
“Kinetik Medical HK”	Kinetic Medical Devices Limited a company incorporated in Hong Kong under number 1132466;

“Kinetik Medical US”	Kinetik Medical Devices, Inc a company incorporated in Delaware;
“Listing Rules”	the rules and regulations made by the FSA under Part VI of FSMA (as amended from time to time);
“London Stock Exchange”	London Stock Exchange plc;
“LTIP”	the long term incentive plan adopted by the Company on 18 September 1998 (as amended);
“Malmo”	Malmo 2 Limited a company registered in England and Wales with company number 6939671;
“Medical Disposal”	the disposal of Harvard Medical pursuant to the Sale and Purchase Agreement and the entry into of the Transitional Services Agreement;
“Medical Division”	Harvard Medical and its subsidiaries Kinetik Medical, Sonetik UK, Harvard Research, Kinetik Medical US, Harvard Medical HK, Kinetik Medical HK, Sonetik HK, Sonetik AG, Harvard America and Hamsard 3150;
“Move to AIM”	the Delisting and subsequent Admission;
“Net Proceeds”	the Cash Proceeds less any expenses associated with the Disposals (approximately £0.45 million), totalling approximately £9.55 million;
“Notice of General Meeting”	the notice of the General Meeting set out at the end of this document;
“Official List”	the Official List of the FSA;
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company;
“Property Disposal”	the disposal of the Properties pursuant to the terms of the Property Sale Agreement and the entry into of the Rugby Lease;
“Properties”	the Barking Property, the Rugby Property, the Jarrow Property and the Brampton Property;
“Property Sale Agreement”	the agreement dated 28 July 2009 between Harvard Property, Vasteras, Aalborg and Alba Broadcasting relating to the Property Disposal details of which are set out in Part III of this document;
“Prospectus Rules”	the prospectus rules made by the FSA from time to time;
“Purchasers”	Malmo, Vasteras and Aalborg;
“QCA Guidelines”	the Corporate Governance Guidelines for AIM companies published by the Quoted Companies Alliance;
“Registrar”	Capita Registrars, a trading name of Capita Registrars Limited;
“Resolutions”	the Disposal Resolutions and the AIM Resolution;
“Roadstar Group”	Roadstar Management, Roadstar Italia, Alba France SA, Roadstar Deutschland GmbH, Roadstar Spain SL, Roadstar Overseas Services Limited and RS Roadstar Electronics (Malaysia) Sdn Bhd;
“Roadstar Italia”	Roadstar Italia S.p.A. a company incorporated in Italy under number 04266610155;
“Roadstar Italia Deed of Waiver”	the agreement dated 1 February 2008 entered into between Harvard Maritime and Roadstar Italia;

“Roadstar Management”	Roadstar Management SA a company incorporated in Switzerland under number CH-524.3.000.352-4;
“Roadstar Management Deed of Waiver”	the agreement dated 1 February 2008 entered into between Harvard Maritime and Roadstar Management;
“Roadstar Trade Mark Licence”	the trade mark licence entered into between Roadstar Management and Roadstar UK Limited;
“Rugby Lease”	the lease relating to the Rugby Property to be entered into upon Completion between Vasteras and Alba Broadcasting details of which are set out in Part III of this document;
“Rugby Property”	the freehold land and buildings at Mill Road, Rugby;
“Sale and Purchase Agreement”	the share purchase agreement dated 28 July 2009 between Harvard, Malmo and Daniel Bruce Harris relating to the Medical Disposal as amended by a deed of variation between the same parties dated 4 September 2009 details of which are set out in Part III of this document;
“SAYE Scheme”	the 1996 Savings Related Share Option Scheme;
“Share Option Schemes”	the existing share option schemes of the Company as at the date of this document being the Executive Scheme and the SAYE Scheme;
“Shareholders”	holders of Ordinary Shares;
“Sonetik AG”	Sonetik AG a company incorporated in Switzerland under number CH-036.3.040.844-1;
“Sonetik Group”	Sonetik UK and its subsidiaries Sonetik AG and Sonetik HK;
“Sonetik HK”	Sonetik Limited a company incorporated in Hong Kong under number 1174391;
“Sonetik UK”	Sonetik Limited a company incorporated in England and Wales with company number 6392993;
“Transitional Services Agreement”	the transitional services agreement to be entered into upon Completion between Malmo and the Company details of which are set out in Part III of this document;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share the title of which is recorded in the relevant register of the share concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Valuation Report”	the valuation report dated 4 September 2009 prepared by Cushman & Wakefield LLP in relation to the Properties, a copy of which is set out in Part V of this document;
“Vasteras”	Vasteras LLP a limited liability partnership registered in England and Wales under number OC346885.

Harvard International plc

(Registered in England & Wales No: 00756128)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Harvard International plc (the “**Company**”) will be held at 10.30 a.m. on 30 September 2009 at the offices of the Company, Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as separate ordinary resolutions and resolution 3 will be proposed as a special resolution:

1. THAT conditional upon the passing of resolution 2:
 - 1.1 the proposed disposal by the Company (the “**Medical Disposal**”) of the whole of the issued share capital of Harvard Medical Devices UK Limited on the terms and subject to the conditions of the sale and purchase agreement dated 28 July 2009 entered into between the Company (1), Malmo 2 Limited (2) and Daniel Bruce Harris (3) as amended by a deed of variation dated 4 September 2009 between the same parties (the “**Sale and Purchase Agreement**”) being the agreement described in Part III of the Company’s circular to shareholders dated 4 September 2009 (the “**Circular**”) a copy of which has been produced to the meeting and, for the purposes of identification, initialed by the Chairman of the meeting be and is hereby approved for the purposes of the Listing Rules;
 - 1.2 the Medical Disposal be and is hereby approved for the purposes of section 190 of the Companies Act 2006 as a substantial property transaction with a person connected with a Director of the Company; and
 - 1.3 the Directors (or a duly authorised committee thereof) be and are hereby authorised to complete the Sale and Purchase Agreement and all other agreements or deeds for which the Sale and Purchase Agreement provides and to make such variations and amendments to the terms and conditions thereof as the Directors may approve and as are non-material in the context of the Medical Disposal and to do, approve and execute all other acts, things and documents necessary or desirable, in order to effect or facilitate the Medical Disposal.
2. THAT conditional upon the passing of resolution 1:
 - 2.1 the proposed disposal by the Company’s subsidiary, Harvard Property Holdings Limited, (the “**Property Disposal**”) of the properties at Barking, Brampton, Jarrow and Rugby on the terms and subject to the conditions of the sale and purchase agreement dated 28 July 2009 entered into between Harvard Property Holdings Limited (1), Vasteras LLP (2), Aalborg LLP (3) and Alba Broadcasting Corporation Limited (4) (the “**Property Sale Agreement**”) being the agreement described in Part III of the Circular be and is hereby approved for the purposes of the Listing Rules;
 - 2.2 the Property Disposal be and is hereby approved for the purposes of section 190 of the Companies Act 2006 as a substantial property transaction with persons connected with a Director of the Company; and
 - 2.3 the Directors (or a duly authorised committee thereof) be and are hereby authorised to complete the Property Sale Agreement and all other agreements or deeds for which the Property Sale Agreement provides and to make such variations and amendments to the terms and conditions thereof as the Directors may approve and as are non-material in the context of the Property Disposal and to do, approve and execute all other acts, things and documents necessary or desirable, in order to effect or facilitate the Property Disposal.
3. THAT conditional upon the passing of resolutions 1 and 2 and completion of the Medical Disposal and the Property Disposal, the listing of the ordinary shares of 10 pence each in the capital of the Company on the Official List and admission to trading on the London Stock Exchange’s market for

listed securities be cancelled and application be made for admission of the said ordinary shares to trading on AIM.

By order of the Board:
John Edwin Malin FCA
Company Secretary

Registered office:
Harvard House
The Waterfront
Elstree Road
Elstree
Hertfordshire
WD6 3BS

4 September 2009

Notes:

1. A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a Proxy or Proxies to attend, speak and vote in his/her place. A member may appoint more than one Proxy in relation to the meeting provided that each Proxy is appointed to exercise rights attached to a different share or shares held by the member. To do this, a member must complete a separate Form of Proxy for each Proxy, indicating the number of shares for which each Proxy is being authorised to act on his/her behalf. Members can either copy the original Form of Proxy, or obtain additional Forms of Proxy from the Company's Registrars. A Proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the meeting in person.
2. A Form of Proxy is enclosed with this Notice. To be valid, the Form of Proxy (together, if appropriate, with the power of attorney or other written authority under which it is signed or an office copy or a certified copy of such power or authority) must be received at the office of the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham BR3 4TU not later than 48 hours before the time appointed for holding the meeting.
3. A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a Proxy for the meeting. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of Proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders in the register of members of the Company as at 6.00 p.m. on 28 September 2009 shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the register of members of the Company after 6.00 p.m. on 28 September 2009 will be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 1 September 2009 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 51,256,685 Ordinary Shares carrying one vote each of which no shares are held in treasury. Therefore the total voting rights in the Company as at 1 September 2009 are 51,256,685.
6. CREST members who wish to appoint a Proxy or Proxies through the CREST Electronic Proxy Appointment Service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a Proxy or an amendment to the instruction given to a previously appointed Proxy must, in order to be valid, be transmitted as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of Proxy appointments specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. Members may also appoint a Proxy electronically by visiting the website of Capita Registrars, www.capitashareportal.com. Members wishing to appoint a Proxy electronically will require their unique investor code which is shown on the Form of Proxy.

9. A corporate member of the Company can appoint one or more Corporate Representatives who may exercise, on its behalf, all its powers as a member provided that no more than one Corporate Representative exercises powers over the same share.
10. Copies of the following documents will be available for inspection at the Company's registered office, Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of the Circular up to and including the date of the meeting:
 - (a) the Memorandum and Articles of Association of the Company;
 - (b) the audited consolidated accounts of the Company for the years ended 31 March 2007, 31 March 2008 and 31 March 2009;
 - (c) the Valuation Report;
 - (d) the material contracts referred to in paragraph 8 of Part VII of the Circular;
 - (e) the Directors' service contracts referred to in paragraph 5 of Part VII of the Circular;
 - (f) the written consents referred to in paragraph 12 of Part VII of the Circular; and
 - (g) the Circular and the Form of Proxy.
11. As soon as practicable following the meeting, the results of the voting at the meeting and the numbers of Proxy votes cast in respect of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website (www.harvardplc.com). A summary of the business transacted at the meeting will be available from the Company Secretary on written request.
12. The information required by section 311A of the Companies Act 2006 is available from the Company's website (www.harvardplc.com).
13. If you wish to attend the meeting in person, please attend at Harvard House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS at 10.30 a.m. on Wednesday 30 September 2009, bringing either the Attendance Card or other appropriate identification so that you can be identified by the Company's Registrars. It is recommended that you arrive at least 15 minutes before the time appointed for the meeting to begin.
14. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting, unless:
 - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

