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**If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent, through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred 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.**

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## **ALPHAMERIC PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 00957155)*

### **Proposed Disposal of Alphameric Solutions Limited**

### **Proposed Delisting and Admission to AIM**

### **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Alphameric plc which is set out in Part 1 of this document and which contains a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Notice of a general meeting of the Company, to be held at 10.00 a.m. on Tuesday 25 May 2010 at the offices of Nabarro LLP, Lacon House, 84 Theobald’s Road, London WC1X 8RW, 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 4.30 p.m. on Friday 21 May 2010. Forms of Proxy received after this time will be invalid. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish. Alternatively, you may fill in your Form of Proxy online at [www.capitashareportal.com](http://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 4.30 p.m. on Friday 21 May 2010. 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 4.30 p.m. on Friday 21 May 2010. 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.

**Your attention is drawn to the risk factors set out in Part 2 of this document.**

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

Latest time and date for receipt of Forms of Proxy for the General Meeting	4.30 p.m. on 21 May 2010
General Meeting	10.00 a.m. on 25 May 2010
Expected date of Completion	1 June 2010
Expected last day of dealing in Ordinary Shares on the Official List	23 June 2010
Expected date of Admission and first day of dealing in Ordinary Shares on AIM	24 June 2010

### Notes:

- (1) 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.
- (2) The date of Completion is expected to be 1 June 2010. The timing of Completion is dependent upon, amongst other things, the passing of the Resolutions at the General Meeting and, if there is any delay in the passing of such Resolutions, the date of Completion may change. The date of Completion may also be changed by agreement between the Company and the Purchaser.
- (3) All references in this document are to London times unless otherwise stated.

## PART 1

### LETTER FROM THE CHAIRMAN OF ALPHAMERIC



*(Incorporated and registered in England and Wales with registered number 00957155)*

*Directors:*

Peter Bertram (*Chairman*)

Mike McLaren (*Group Finance Director and Chief Operating Officer of ASL*)

Alan McWalter (*Senior Independent Non-Executive Director*)

James Soulsby (*Group Commercial Director*)

*Registered office:*

Bishopsgate House

Broadford Park

Shalford

Surrey

GU4 8ED

7 May 2010

*To: All Shareholders and, for information only, to holders of options and awards under the Share Schemes and the SIP*

**Proposed disposal of Alphameric Solutions Limited,  
Delisting and Admission and Notice of General Meeting**

Dear Shareholder

#### **1. Introduction**

Your Board announced on 7 May 2010 that it had entered into a conditional agreement with Orbis Holdings, a wholly-owned subsidiary of NDS Group, in relation to the proposed disposal by the Group of Alphameric Solutions Limited (the “Solutions Business” or “ASL”).

Alphameric has conditionally agreed to sell the entire issued share capital of ASL for a cash consideration of £15.475 million on a cash free/debt free basis, subject to adjustments to take account of ASL’s net asset and net debt position as at Completion. Of the Consideration, the sum of £2.0 million will be retained and placed in an escrow account to be utilised against any claims made by Orbis Holdings under the Disposal Agreement within 18 months from the date of Completion. It is anticipated that the net cash proceeds (inclusive of the £2.0 million escrow amount) will be approximately £14.5 million.

In view of the size of the Solutions Business in relation to the Group, the Disposal requires the approval of Shareholders under the Listing Rules.

Completion of the Disposal will result in the Company no longer satisfying the continuing obligations prescribed by the Listing Rules. Accordingly, the Company will transfer the listing of its Ordinary Shares from the Official List and from trading on the London Stock Exchange’s Main Market for listed securities to 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 requires the prior approval of Shareholders by the passing of a special resolution. In order to ensure that the Disposal does not result in the Company breaching the continuing obligations prescribed by the Listing Rules, the Disposal Resolution and the AIM Resolution are interconditional such that in the event that either Resolution is not passed by shareholders, neither the Disposal nor the Delisting and Admission will occur.

Following Completion, the Company intends to change its name to Timeweave plc, which will be effected by a resolution of the Board, and to change its accounting reference date to 31 December by extending its current financial period to 31 December 2010.

Your approval of the Disposal and the Delisting and Admission is being sought at a General Meeting of the Company to be held at 10.00 a.m. on Tuesday 25 May 2010 at the offices of Nabarro LLP, Lacon House,

84 Theobald's Road, London WC1X 8RW. A notice of the General Meeting is set out at the end of this document.

The purpose of this document is to explain the background to and reasons for the Disposal and the Delisting and Admission and the effects on the Group and to explain why your Directors believe that the Disposal and the Delisting and Admission are in the best interests of the Group and Shareholders as a whole and to recommend that you vote in favour of the Resolutions at the General Meeting.

A summary of the action you should take is set out in section 16 of this letter and on the Form of Proxy that accompanies this document.

**Shareholders should read the whole of this circular and not just rely on the summarised information, including financial information, set out in this document.**

## **2. Background to and reasons for the Disposal**

In June 2008, Alphameric disposed of its Hospitality Business for £17.3 million, leaving the Group with ASL and Alphameric's investment in AMRAC. While ASL returned to profitability at the operating level for the year ended 30 November 2009 and has recently won significant new contracts, AMRAC is now of sufficient scale that the contribution of ASL to Alphameric is small relative to the contribution from AMRAC.

The Board recognises that there is a potential conflict between ASL and AMRAC arising as a result of the similarities between the existing and potential customer base for both ASL and AMRAC. Consequently, Alphameric has determined either to invest significantly in the growth of ASL or divest of it and focus fully on AMRAC. Following an expression of interest in ASL from Orbis Holdings, the Board concluded that a disposal of ASL would be the most appropriate course of action to maximise shareholder value.

The proposed acquisition of ASL will offer Orbis Holdings a highly complementary fit within its existing business.

Following the divestment of ASL, the Continuing Group will focus principally on the provision and management of media and data content through AMRAC.

Completion of the Disposal will result in the Company no longer satisfying the continuing obligations prescribed by the Listing Rules. Accordingly, conditional on Completion of the Disposal, the Company will transfer the listing of its Ordinary Shares from the Official List and from trading on the London Stock Exchange's Main Market for listed securities to AIM. It is expected that the Delisting and Admission will reduce the regulatory workload and expense to a level more consistent with the new scale and structure of the Group following completion of the Disposal.

## **3. Background to the Group**

Alphameric provides, through ASL, turnkey end-to-end technology solutions to the betting and gaming market in the UK and the Republic of Ireland comprising Electronic Point of Sale (EPOS) systems, display systems and a range of other in-shop software and hardware solutions for licensed bookmakers. In addition, Alphameric Gaming, a wholly-owned subsidiary of the Company, is a 50 per cent. shareholder in a joint venture company, AMRAC, which holds exclusive licences with 31 racecourses to broadcast pictures, audio and data from these courses to licensed betting offices within the UK and the Republic of Ireland.

On 17 December 2009, Alphameric announced that AMRAC had signed long-term exclusive agreements which extend its media rights for 13 Jockey Club racecourses and 17 other independent racecourses for a five year period from the expiry of current agreements in March 2013 to March 2018. In addition, AMRAC entered into a new three year sponsorship agreement with effect from 1 December 2009 with certain of the racecourses to reflect the long-term partnership arrangements in existence.

For the year ended 30 November 2009, the Group reported revenues of £40.0 million, which produced an operating profit of £7.7 million. Group net assets as at 30 November 2009 were £30.3 million and gross assets were £43.1 million.

The Solutions Business reported revenue of £13.1 million, which produced an operating profit before exceptional costs of £1.3 million and AMRAC reported revenue of £26.1 million, which produced an operating profit of £7.1 million.

#### **4. Information on ASL**

ASL is focused on the provision of end-to-end technology to high street bookmakers, predominantly in the UK and the Republic of Ireland. It delivers a comprehensive range of integrated software and hardware to major bookmakers and the independent bookmaking marketplace. Customers include William Hill, Ladbrokes, Coral and Tote together with many of the larger and smaller independent bookmakers.

For the year ended 30 November 2009, ASL had revenues of £13.1 million and operating profit before exceptional costs of £1.3 million. Net tangible liabilities of ASL as at 30 November 2009 were £13.8 million and gross assets were £22.0 million. The financial information on ASL contained in this paragraph has been extracted, without material adjustment, from the audited financial statements and the consolidation schedules which support the audited financial statements for the Group for the three years ended 30 November 2007, 30 November 2008 and 30 November 2009.

#### **5. Information on Orbis Holdings**

Orbis Holdings, the holding company of Orbis Technology, is a wholly-owned subsidiary of NDS Group. Through Orbis Technology, Orbis Holdings provides integrated gaming and betting solutions.

Orbis Holdings develops front-end and back-office solutions, from unique and compelling game concepts to sophisticated management and reporting tools. Orbis Holding's OpenBet software platform with its unique single account, single wallet solution, enables its users to bet and play across multiple products and platforms in all languages and currencies, providing a user friendly management and reporting interface to view all customers' gaming activities.

Customers include William Hill, Ladbrokes, Betfair, BlueSquare, Paddy Power, SkyBet, Centrebet and Slot Macau.

Headquartered in London, Orbis Holdings employs approximately 300 staff across 3 countries.

#### **6. Principal terms of the Disposal**

Alphameric has conditionally agreed to sell the entire issued share capital of ASL for a cash consideration of £15.475 million on a cash free/debt free basis, subject to adjustments to take account of ASL's net asset and net debt position as at Completion. Of the Consideration, the sum of £2.0 million will be retained and placed in an escrow account to be utilised against any claims made by Orbis Holdings under the Disposal Agreement within 18 months from the date of Completion. It is anticipated that the net cash proceeds of the Disposal (inclusive of the £2.0 million escrow amount) will be approximately £14.5 million.

The Disposal is conditional only upon passing of the Resolutions. The Disposal Agreement will terminate if the Resolutions are not passed by 11 June 2010.

A summary of the principal terms of the Disposal Agreement is set out in Part 5 of this document.

#### **7. Management and employees of ASL**

The proposed acquisition of ASL by Orbis Holdings will be structured by way of a sale of the entire issued share capital of ASL and therefore the existing employees will continue to be employed by ASL. In addition there will be three employees of Alphameric (including James Soulsby), each of whom currently works predominantly for ASL, who will transfer to Orbis Holdings under the operation of TUPE as part of the Disposal. On Completion, James Soulsby will resign as a director of Alphameric.

With these exceptions there are no other key individuals in the Group transferring to Orbis Holdings.

## **8. Financial effects of the Disposal and use of proceeds**

The net cash proceeds at Completion arising from the Disposal are expected to be approximately £14.5 million, after adjustments including transaction costs of approximately £0.85 million and a £1.2 million payment from Alphameric to Orbis Holdings in respect of restructuring costs. £2.0 million of the net cash proceeds will be held in escrow, as described above.

Alphameric plc has a robust balance sheet; at 30 November 2009 net assets of the Company were £24.6 million of which £11.3 million was cash and cash equivalents (these figures are derived from the unconsolidated balance sheet of the Company at 30 November 2009 and exclude balances relating to ASL and AMRAC). At 30 November 2009 the Company had no bank borrowings. Whilst your Board believes that carrying cash and cash equivalents on the balance sheet helps to promote confidence in the long term future for customers, staff and shareholders it believes that the existing balances are sufficient for this purpose. Consequently it is your Board's intention to return funds to shareholders, either as income or capital, to the extent permissible given the distributable reserves available to the Company now and in the future. The Board believes that AMRAC's initial success can be maintained and potentially enhanced and thus intends to continue to invest both intellect and, if required, funding into AMRAC to help maximise its potential. In addition, the Board will maintain a watching brief for other commercial or corporate opportunities that may enable the Company to add further value to its market proposition. This policy will be reviewed on an ongoing basis to ensure that it meets the requirements of the Group and its stakeholders.

Following Completion, the Group's central overheads will be allocated to a smaller operating base.

Pro forma financial information relating to the Group is set out in Part 4 of this document, which has been prepared, for illustrative purposes, to show the effect of the Disposal on the net assets of the Group as if the Disposal had been completed on 30 November 2009.

It is noted that the Disposal will have a negative impact on the future earnings of the Continuing Group.

Within this pro forma financial information, information on the Group has been extracted without material adjustment from the Group's audited financial statements for the year ended 30 November 2009.

## **9. Background to and reasons for the Name Change**

Following Completion, the Company proposes to change its name to Timeweave plc. The Name Change is required pursuant to the Disposal as Alphameric will licence to Orbis Holdings the use of the names and brands currently used in the Solutions Business including, but not limited to, the name 'Alphameric' and its associated brands.

## **10. Background to and reasons for the Delisting and Admission**

Following the Disposal, the Continuing Group's business will consist primarily of its 50 per cent. shareholding in AMRAC. As a 50:50 joint venture partner, Alphameric is not able to direct the strategy of AMRAC unilaterally. As such, on Completion the Continuing Group will cease to comply with Listing Rule 9.2.2A, which states, *inter alia*, that a company listed on the Official List of the UKLA and the Main Market of the London Stock Exchange must as a continuing obligation control the majority of its assets and carry on an independent business as its main activity. Accordingly, in order to ensure that the Disposal does not result in the Company breaching the Listing Rules, the Board is also proposing a resolution to move trading in the Company's Ordinary Shares to AIM. This resolution is interconditional with the Disposal Resolution such that if the AIM Resolution is not passed, the Disposal will not proceed.

It is expected that the Delisting and Admission will reduce the regulatory workload and expense to a level more consistent with the new scale and structure of the Group following completion of the Disposal. The Board believes that the move to AIM should not have a significant impact on Shareholders' ability to trade Ordinary Shares or receive dividends. However, there may be less liquidity in the Ordinary Shares following the Delisting and Admission.

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, 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.
- Under the Listing Rules, if a company enters into a related party transaction that is not of a revenue nature in the ordinary course of business and one or more of the percentage ratios set out in Listing Rule 10 is over 5 per cent., prior shareholder approval will be required to enter into or complete the transaction. Under the AIM Rules, the Company will be required only to notify the market of a related party transaction which exceeds 5 per cent. of any class test set out in the AIM Rules accompanied by a statement that the directors (other than any director who is involved in the transaction as a related party), after consultation with the Company’s nominated adviser, consider that the terms of the transaction are fair and reasonable in so far as its shareholders are concerned.
- Under the Listing Rules, a company is required to offer pre-emption rights to shareholders unless the directors are acting under a general authority which has been authorised by shareholders. There is no equivalent requirement under the AIM Rules. Accordingly, as an AIM company, the Company will be able to issue shares subject only to the restrictions in the Act, the Articles and in shareholder authorities passed at a general meeting.
- Under the Listing Rules, if a company makes an open offer or placing (among other specified transactions) of Ordinary Shares, the price must not be at a discount of more than 10 per cent. to the middle market price of those shares at the time of announcing the terms of the offer. There is no equivalent requirement under the AIM Rules.
- Under the Listing Rules, a Company must make public its annual financial report no later than four months after its financial year end. In addition, it must make a half-yearly financial report available no later than two months after the end of the period to which the report relates. Under the Listing Rules, a company must also make an interim management statement during the first six month period of the financial year and another statement during the second six month period. Similar reporting requirements are set out in the AIM Rules, although an AIM company has six months to publish annual audited accounts and three months for the half-yearly report. There is no requirement under the AIM Rules for a company to prepare interim management statements.
- 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. However, the Directors recognise 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. However, the Directors recognise 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 Delisting and Admission, 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.

## **11. Delisting and Admission**

Conditional on 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 23 June 2010, 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 24 June 2010.

As 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 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.

## **12. Group Strategy post Disposal and Delisting and Admission**

Following the disposal of ASL, it is your Board's intention to maximise returns for shareholders and to maintain a progressive dividend policy that sees the majority of profits made by the Company returned to its shareholders, subject always to the availability of distributable reserves.

Going forward it is your Board's intention to continue to maximise the returns that the Group receives from its investment in AMRAC. Since its initial launch in 2007 AMRAC has progressed from a start-up business to one that in 2009 recorded revenues of £52 million and an operating profit of £14 million against a backdrop of marketplace resistance to its inception and a difficult economic environment. The Board believes that AMRAC's initial success can be maintained and potentially enhanced and thus intends to continue to invest both intellect and, if required, funding into AMRAC to help maximise its potential. In addition, your Board will maintain a watching brief for other commercial or corporate opportunities that may enable Alphameric to add further value to its market proposition.

### **13. Current trading and prospects**

On 9 February 2010, the Company published its preliminary financial results for the year ending 30 November 2009. The full text of that statement is reproduced below. This statement remains the Board's opinion of current trading as at the date of this document.

#### ***Introduction***

The financial year to 30 November 2009 was a successful year for the Group which saw the achievement of a number of key objectives, including:

- significantly enhanced profits from AMRAC and the successful closure of its long running litigation;
- the return to profitable trading for the Solutions Business;
- the securing by ASL of a major new contract for the supply of EPoS and ALBOS systems to Tote;
- the recommencement of the payment of dividends to shareholders; and
- since the year end, AMRAC has also secured the extension until 2018 of its exclusive media rights with 30 of the UK's most prestigious racecourses.

We look forward to working hard to continue the Group's success and to deliver acceptable levels of return for our shareholders going forward.

#### ***Results***

##### *Consolidated Income Statement*

Revenues for the year to 30 November 2009 increased to £40.0 million (2008: £35.9 million) which generated an improved operating profit of £7.7 million (2008: operating profit before exceptional administrative expenses and share based payment charges £2.9 million).

The Group returned a pre-tax profit of £7.9 million, compared to a loss before tax of £2.2 million last year.

The basic earnings per share were 3.0 pence (2008: 0.8 pence before exceptional administrative expenses).

In accordance with IAS 31; 'Interests in Joint Ventures' Alphameric's consolidated results include 50 per cent. of AMRAC's revenues, costs and balance sheet headings.

##### *Consolidated Balance Sheet*

The Group's consolidated balance sheet remains robust with net assets at 30 November 2009 of £30.3 million including £20.8 million in cash (30 November 2008: net assets of £25.4 million including cash balances net of debt of £17.8 million).

In December 2008 the Group repaid all of its outstanding bank debt. In January 2009 a term loan from Alphameric of £3 million (plus interest) was repaid in full by AMRAC.

AMRAC's customer supply contracts typically run annually from 1 January with a number of its larger customers paying in advance for the service. Consequently, the Group consolidated cash balances are usually higher in the earlier months of the financial year.

In December 2009 AMRAC entered into a series of contracts which extended its exclusive media rights with 30 racecourses until 2018; certain of these contracts required in advance payments to be made by AMRAC which have reduced its cash balances since the financial year end.

### ***Review of Operations***

#### *Alphameric Solutions*

ASL is focused on the provision of end-to-end technology to high street bookmakers, predominantly in the UK and the Republic of Ireland.

Having repositioned ASL over the past couple of years and lowered its overhead base, it is pleasing to note that ASL traded profitably for the year as a whole, marginally exceeding our own financial expectations. Towards the end of the financial year, we were pleased to announce that ASL had secured a major new contract to roll out its latest EPoS and display systems to Tote; the majority of the roll out will fall in the 2010 financial year.

ASL's revenues for the year were £13.1 million which produced an operating profit of £1.3 million (2008: revenues of £14.4 million; operating loss £1.2 million before exceptional administrative expenses).

#### *AMRAC*

Through its television channel, TurfTV, AMRAC provides betting opportunities for bookmakers in the UK and the Republic of Ireland, predominantly focused on the best UK horse racing. The TurfTV television channel consists of pictures and associated real time race day data from 31 of the UK's horse racecourses, together with international horse racing and a range of virtual horse and dog race meetings. TurfTV is a closed user group service, delivered by satellite, to customers who pay in advance for the service.

During the year AMRAC's subscriber base rose to more than 10,000 licensed betting offices following the signing of BetFred as a long term customer in April 2009 and a number of independent bookmakers throughout the year.

In December 2009 AMRAC announced that it had signed exclusive agreements with 30 of its current 31 racecourses which extended its media rights relating to those racecourses by a further 5 years from 2013 to 2018. Under the terms of these contracts, which reflect the increasingly competitive market and pricing for racecourse media rights, £6.0 million of the race fees due for the 5 year period have been paid in advance by AMRAC. In addition, AMRAC has entered into new 3 year sponsorship agreements, with effect from 1 December 2009, with certain of the racecourses to reflect the long-term partnership arrangements in existence; the total cost to AMRAC of these sponsorship agreements is £4.6 million.

During the year a long running legal dispute between Alphameric, AMRAC and a large number of racecourses and William Hill, Ladbrokes and the Bookmakers Afternoon Greyhound Service Limited (BAGS) was finally settled following determination by the Court of Appeal in favour of Alphameric, AMRAC and the racecourses. On 9 November 2009 the Supreme Court refused to grant the claimants leave to appeal the Court of Appeal's decision. The majority of costs payable and receivable in relation to the dispute have been settled and accounted for as at 30 November 2009.

Alphameric's share of AMRAC's revenues for the year grew to £26.1 million which produced an increased operating profit share of £7.1 million after management charges (2008: revenue £20.6 million and operating profit £3.4 million before exceptional administrative charges).

### ***Outlook***

AMRAC now has over 10,000 licensed betting office subscribers for its TurfTV service, which represents the vast majority of the available marketplace. It has delivered a good trading performance for the year and has commenced the payment of dividends to its joint shareholders, Alphameric and Racecourse Media Services. The extension of its exclusive media rights with 30 of the UK's most prestigious UK horse racecourses underpins the business for the foreseeable future.

ASL is now trading profitably, has refreshed much of its product offering and secured a major contract for roll out during 2010.

The Group has a strong balance sheet, significant cash balances and has re-introduced a progressive dividend policy.

I believe that the Group is now well positioned to generate enhanced levels of return for its shareholders whilst delivering growth in its core businesses.

#### **14. Risk Factors**

Shareholders should consider fully the risk factors associated with the Continuing Group, AMRAC, the Disposal and the Delisting and Admission. Your attention is drawn to the risk factors set out in Part 2 of this document.

#### **15. General Meeting**

A notice is set out at the end of this document convening a General Meeting to be held at 10.00 a.m. on Tuesday 25 May 2010 at the offices of Nabarro LLP, 84 Theobald's Road, London WC1X 8RW at which the Resolutions will be proposed. The Disposal Resolution will be proposed as an ordinary resolution and the AIM Resolution will be proposed as a special resolution.

The Company is calling the General Meeting on less than 21 days' notice as permitted by the enabling resolution passed at the Company's annual general meeting held on 26 March 2010. The Company considers doing so to be merited by the business of the meeting and considers proceeding to Completion as soon as possible, thereby minimising the risk of events arising enabling Orbis Holdings to terminate the Disposal Agreement, to be to the advantage of Shareholders as a whole.

##### ***Resolution 1: Approval of the Disposal***

The Disposal Resolution (which is conditional upon the passing of the AIM Resolution) seeks the authority for the Company to complete the Disposal pursuant to the terms of the Disposal Agreement. The passing of the Disposal 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 Delisting and Admission***

The AIM Resolution (which is conditional upon the passing of the Disposal Resolution and the Disposal Agreement being completed in accordance with its terms) seeks the authority for the Company to carry out the Delisting and 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.

As described in section 10 of this letter, following the Disposal the Continuing Group will cease to comply with Listing Rule 9.2.2A, which states that a company listed on the Official List of the UKLA and the Main Market of the London Stock Exchange must as a continuing obligation control the majority of its assets and carry on an independent business as its main activity. Accordingly, unless the AIM Resolution is passed, the Disposal will not proceed.

#### **16. 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 that meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed on it) and return it to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, so as to arrive no later than 4.30 p.m. on Friday 21 May 2010. Completing and returning a Form of Proxy will not preclude you from attending that meeting and voting in person if you so wish. If you are in any doubt as to how to complete the Form of Proxy please contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras; lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday) or +44(0) 208 639 3399 if calling from outside the United Kingdom.

Capita Registrars will not be able to provide any financial advice. For financial advice, including taxation advice, you will need to consult your own independent financial adviser.

#### **17. Irrevocable Undertakings**

The Company has obtained irrevocable undertakings to vote in favour of the Resolutions from the Directors and their connected persons in respect of 231,912 Ordinary Shares, representing approximately 0.1 per cent. of the existing issued share capital of Alphameric.

The Company has also obtained irrevocable undertakings and letters of intent to vote in favour of the Resolutions from a number of institutional shareholders in respect of 126,978,624 Ordinary Shares in aggregate, representing approximately 56.3 per cent. of the existing issued share capital of Alphameric. Of this aggregate amount, irrevocable undertakings to vote in favour of the Resolutions have been received from institutional shareholders in respect of 102,112,969 Ordinary Shares.

#### **18. Further information**

Your attention is drawn to the further information contained in Parts 2 to 6 of this document and in particular to the Risk Factors in Part 2 of this document.

You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

The results of the General Meeting will be announced through a Regulatory Information Service as soon as possible after the conclusion of the General Meeting.

#### **19. Recommendation**

The Board considers the Disposal to be in the best interests of Shareholders as a whole.

The Board, having been so advised by Investec, is of the opinion that the Delisting and Admission 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.

**Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own and their connected persons' beneficial holdings amounting to 231,912 Ordinary Shares, representing approximately 0.1 per cent. of the Company's current issued share capital.**

Yours faithfully,

**Peter Bertram**  
*Chairman*

## PART 2

### RISK FACTORS

*The following risk factors, which the Directors believe include all known material risks, should be carefully considered by Shareholders when deciding what action to take in relation to the Disposal and Admission. The risks and uncertainties described below are not intended to be exhaustive and are not the only ones facing the Group. 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 Continuing Group or ASL. You should read the whole of this document and not rely solely on the information set out in this section.*

#### 1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Investors and prospective investors should consider with care whether an investment in the Company is suitable for them in light of their personal circumstances and the financial resources available to them.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not recover the full amount initially invested.

*The Group or the Continuing Group's business, financial condition in the longer term, or results of operating 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.*

#### 2. RISKS RELATING TO THE DISPOSAL NOT PROCEEDING

##### *The Disposal is conditional upon Shareholder approval*

The Disposal is conditional on the approval by Shareholders of the Disposal Resolution, which is in turn conditional on the AIM Resolution being passed, and will not proceed if this condition is not met. There is no guarantee Shareholders will give such approval.

##### *Inability to realise value if the Disposal does not complete*

If the Disposal does not proceed, there can be no guarantee that terms as favourable as those offered for the Disposal by Orbis Holdings would be obtained by the Group on any subsequent disposal.

##### *Potential destabilising effect on ASL if the Disposal does not proceed*

If the Disposal does not proceed, this may have a negative effect on ASL, its management and the employees who have committed considerable time, effort and resource in preparing ASL for disposal. This could have a negative effect on the value of the Group's investment in ASL.

#### 3. RISKS RELATING TO THE DISPOSAL

##### *The Continuing Group will be exposed to potential costs as a result of the Disposal*

The Disposal Agreement contains certain warranties in favour of Orbis Holdings which the Directors consider to be appropriate for a transaction of this type. If any of these warranties prove to be untrue or any allegations are made by Orbis Holdings that any of the warranties is untrue (whether or not this is the case) the Continuing Group would incur liabilities (including costs and expenses in defending any action against it). The warranties are given subject to certain limitations and time limits as described in Part 5 of this document.

The Disposal Agreement also contains certain indemnities in favour of Orbis Holdings to provide cover for Orbis Holdings against any losses suffered or incurred by ASL arising from the disposal of the Hospitality Business in July 2008 together with certain other indemnities of a nature customary for a transaction such as the Disposal. While the Directors consider the scope of these indemnities to be appropriate, if Orbis Holdings makes any claim against the Company under the terms of the indemnities (whether or not ASL has suffered or incurred any loss), the Continuing Group would incur liabilities (including costs and expenses in defending any action against it).

#### **4. RISKS RELATING TO THE CONTINUING GROUP**

##### ***Group liabilities***

The Group has liabilities which relate to, amongst other things, financial obligations and other provisions. The amounts disclosed in the Group's accounts in respect of such liabilities are based on current knowledge and legislation. The actual amount of liabilities is subject to a number of uncertainties, assumptions and contingencies. Whilst the Group regularly monitors these liabilities, there can be no assurance that these liabilities will not be higher or become payable sooner than currently anticipated or that any current provisions in the Group's accounts in respect of any such liabilities will be sufficient.

##### ***Fluctuations of revenues, expenses and operating results***

The Continuing Group's revenues, expenses and operating results from its investment in AMRAC could vary significantly from period to period as a result of a variety of factors, some of which are outside the Directors' control. These factors include capital expenditure and other costs which may necessarily be borne by the business. In response to a changing competitive environment, the Continuing Group may elect from time to time to make certain acquisitions that could have a material adverse effect on the Continuing Group's revenues, results of operations and financial condition.

##### ***Limitation on the Continuing Group's ability to pay dividends***

The ability of the Continuing Group to pay dividends to Shareholders is a function of its profitability and the extent to which, as a matter of law, it has available to it sufficient distributable reserves out of which any proposed dividend may be paid. The Directors intend to pay dividends when it is appropriate to do so, as long as there are sufficient distributable profits and cash available.

##### ***Loss of management team or key personnel***

The Continuing Group believes that its future success will greatly depend upon the expertise and continued services of the management team remaining with the Continuing Group following completion of the Disposal. The Continuing Group cannot guarantee the retention of such key management and personnel. As a result, the Continuing Group's investment in AMRAC and financial condition may be adversely affected should such personnel not remain with the Group.

##### ***Warranties and liabilities relating to divestments***

The Group has in the past disposed of a variety of business interests and may, in the future, face legal proceedings in the event that the purchasers of such businesses believe the relevant vendor member of the Continuing Group has breached any representations or warranties given in relation to such disposals.

##### ***Risks relating to the Ordinary Shares***

The trading prices of the Ordinary Shares may fluctuate. The Ordinary Share price may fluctuate as a result of a variety of factors including, but not limited to, speculation about the Continuing Group's investment in AMRAC in the press, media or the investment community; changes to the Company's profit estimates; the publication of research reports by analysts; and general market conditions; the operating and share price performance of other companies in the industries and markets in which the Continuing Group operates.

### ***Interest rate risk***

The Continuing Group is expected to have a net cash position following the Disposal, with no financial liabilities. However, should it begin to use banking facilities, then borrowing costs in respect of and potential floating rate borrowings may increase if interest rates rise. The extent of any interest movements will be determined by economic and political factors and bank decisions outside of the control of the Continuing Group. This may adversely affect performance of the Continuing Group.

### ***Changes in accounting standards***

The Continuing Group prepared its financial statements under IFRS for the first time for the year ended 30 November 2005. Given the ongoing assessment by the regulatory authority of the definition of certain key financial reporting standards and the endorsement process by the European Union, it is likely that IFRS will continue to change in the coming years. These changes may affect the reporting of the financial results of the Continuing Group. This may have an adverse effect on the market price of shares in the Company.

### ***United Kingdom and other taxation***

Current taxation and revenue legislation and practice in the UK and/or other jurisdictions may change. The effective rate of tax paid by the Continuing Group may be increased by a number of factors including changes in law and accounting standards and the Continuing Group's overall approach to such matters.

## **5. RISKS RELATING TO AMRAC**

### ***Technological change***

The AMRAC joint venture may be affected by the introduction of new technology that will become available to the AMRAC customer base. If AMRAC fails to introduce new technology, its services may no longer be acceptable in the marketplace and AMRAC may be unable to attract new customers or retain existing customers. This new technology is relatively untested in the marketplace and the failure of the new technology to deliver the media rights to customers may be detrimental to the receipt of future revenue streams. In order to compete successfully, the Group will need to continue to improve its services and keep pace with technological change.

### ***Media rights and contracts***

The longer-term success of AMRAC is subject to AMRAC's ability to secure its existing media rights beyond 31 December 2018 and additional rights in the future, particularly in new and emerging markets.

### ***Joint venture partner***

The continued success of the AMRAC joint venture is influenced by the ongoing financial viability and condition of Alphameric Gaming's joint venture partner, RMS, and RMS's shareholders. A significant downturn or material adverse change in the financial condition or business of RMS and its shareholders (including as a result of the litigation referred to above) may affect its ability to contribute to the joint venture (whether through the provision of loan finance or key personnel).

## **6. RISKS ASSOCIATED WITH THE DELISTING AND ADMISSION**

### ***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.

## PART 3

### FINANCIAL INFORMATION ON ALPHAMERIC SOLUTIONS LIMITED

The following financial information relating to ASL has been extracted without material adjustment from the consolidation schedules which support the audited financial statements for the Group for the three years ended 30 November 2009.

The financial information contained in this Part 3 does not constitute statutory accounts within the meaning of Section 434 of the Act. The auditors' reports in respect of those statutory accounts for the two years ended 30 November 2008 were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985, and those statutory accounts for the year ended 30 November 2009 were unqualified and did not contain statements under Section 498(2) or (3) of the Act. Grant Thornton UK LLP were the auditors for the Group in respect of the three years ended 30 November 2009.

The summarised income statements for ASL, prepared under IFRS for the years ended 30 November 2009 were as follows:

	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>
<i>Income statement</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenue	13,066	14,410	29,512
Operating profit/(loss) before exceptional costs	1,298	(1,211)	178
Exceptional administrative costs	–	(1,413)	(427)
Operating profit/(loss)	<u>1,298</u>	<u>(2,624)</u>	<u>(249)</u>
Income from shares in group undertakings	–	2,465	–
Profit on disposal of subsidiary undertakings	–	1,038	–
Net finance costs	5	(5)	(261)
Profit/(loss) for the financial year before tax	<u>1,303</u>	<u>874</u>	<u>(510)</u>
Tax credit/(charge)	403	(217)	(498)
Profit/(loss) for the financial year after tax	<u><u>1,706</u></u>	<u><u>657</u></u>	<u><u>(1,008)</u></u>

The following balance sheet relating to ASL has also been extracted without material adjustment from the consolidation schedules which support the audited financial statements for the Group prepared under IFRS for the year ended 30 November 2009:

	<i>2009</i>
	<i>IFRS</i>
<i>Summary of Assets &amp; Liabilities</i>	<i>£'000</i>
<b>Non-current assets</b>	
Intangible assets	5,599
Property, plant and equipment	1,377
Deferred tax asset	1,762
	<u>8,738</u>
<b>Current assets</b>	
Inventories	2,532
Trade and other receivables	6,855
Corporation tax receivable	221
Cash and cash equivalents	3,636
<b>Total current assets</b>	<u>13,244</u>
<b>Total Assets</b>	<u>21,982</u>
<b>Current Liabilities</b>	
Trade and other payables	(30,207)
<b>Net Liabilities</b>	<u><u>(8,225)</u></u>

**Note:**

The assets and liabilities disposed of exclude cash, inter-company balances and certain provisions which are to be retained by the Group.

## PART 4

### SECTION A – UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following financial information is an unaudited pro forma statement of the net assets of Alphameric, as adjusted for the Disposal. The unaudited pro forma statement of net assets is based on the audited consolidated balance sheet of Alphameric as at 30 November 2009, adjusted as described in the notes to the pro forma. Adjustments have been made to illustrate the effect on the net assets of Alphameric of the Disposal on the basis that the transaction took place on 30 November 2009. The unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, the unaudited pro forma statement addresses a hypothetical situation, and does not therefore represent Alphameric's actual financial position or results. The unaudited pro forma statements have been prepared on the basis set out in the notes to the pro forma statement and in accordance with the requirements of Listing Rule 13.3.3R.

	<i>Group</i> £'000 <i>(note 1)</i>	<i>Disposal</i> £'000 <i>(note 2)</i>	<i>Pro Forma</i> <i>Net Assets</i> £'000 <i>(note 3)</i>
<b>Non-current assets</b>			
Intangible assets	5,941	(5,599)	342
Property, plant and equipment	4,118	(1,377)	2,741
Deferred tax asset	1,787	(1,762)	25
Cash in escrow (note 2)	–	2,000	2,000
	<hr/> 11,846	<hr/> (6,738)	<hr/> 5,108
<b>Current assets</b>			
Inventories	2,532	(2,532)	–
Trade and other receivables	7,994	(4,935)	3,059
Cash and cash equivalents	20,763	11,425	32,18
<b>Total current assets</b>	<hr/> 31,289	<hr/> 3,958	<hr/> 35,247
<b>Total Assets</b>	43,135	(2,780)	40,355
<b>Current Liabilities</b>			
Trade and other payables	(10,987)	3,429	(7,558)
Current tax liabilities	(381)	–	(381)
Provisions for liabilities	(1,007)	–	(1,007)
	<hr/> (12,375)	<hr/> 3,429	<hr/> (8,946)
<b>Net current assets</b>	18,914	7,387	26,301
<b>Non current Liabilities</b>			
Provisions for liabilities	(458)	–	(458)
<b>Total Liabilities</b>	<hr/> (12,833)	<hr/> 3,429	<hr/> (9,404)
<b>Net Assets</b>	<hr/> 30,302	<hr/> 649	<hr/> 30,951

Notes to the pro forma financial information

- 1 The column "Group" represents the consolidated net assets of the Group at 30 November 2009, extracted, without material adjustment, from the audited financial statements of the Group for the year ended 30 November 2009. The cash and cash equivalents figure of £20.763 million includes £3.636 million of cash from the disposal entity.
- 2 The column "Disposal" represents the net cash proceeds of £15.475 million to be received less associated costs of approximately £0.850 million, less a £1.2 million payment from Alphameric to Orbis Holdings in respect of restructuring costs less £2.0 million to be held in escrow (as shown in "cash in escrow"), together with the assets and liabilities disposed of shown as if the Disposal had occurred on 30 November 2009, as extracted, without material adjustment, from the consolidated schedule of the audited financial statements of the Group for the year ended 30 November 2009 as also shown on page 17 in Part 3. The assets and liabilities disposed of exclude cash, inter company balances and certain provisions which are to be retained by the Group.

- 3 The column "Pro Forma Net Assets" is the sum of the preceding columns and represents the pro forma net assets of Alphameric as at 30 November 2009 following the Disposal.
- 4 No account has been taken of the trading results of the Continuing Group or ASL for the period since 30 November 2009.

## SECTION B – ACCOUNTANTS’ REPORT ON PRO FORMA FINANCIAL INFORMATION

Alphameric plc  
Bishopsgate House  
Broadford Park  
Shalford  
Surrey  
GU4 8ED

7 May 2010

Dear Sirs

### **Alphameric plc**

We report on the pro forma statement of net assets (“**Pro forma financial information**”) set out in Part 4 of the Class 1 circular dated 7 May 2010, which has been prepared, for illustrative purposes only, to provide information about how the disposal of Alphameric Solutions Limited might have affected the financial information presented on the basis of the accounting policies adopted by Alphameric plc in preparing the financial statements for the period ended 30 November 2009.

This report is required by paragraph 13.3.3R of the Listing Rules of the United Kingdom Listing Authority and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibilities**

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Shareholders of Alphameric plc as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

It is the responsibility of the directors of Alphameric plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the United Kingdom Listing Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that 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 Alphameric 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 Alphameric plc.

**Opinion**

In our opinion:

- pro forma information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Alphameric plc.

Yours faithfully

**GRANT THORNTON UK LLP**

## PART 5

### PRINCIPAL TERMS OF THE DISPOSAL AGREEMENT

#### Disposal Agreement

The following is a summary of the principal terms of the Disposal Agreement. The Disposal Agreement is available for inspection as described in paragraph 12 of Part 6 of this document.

#### Consideration

Under the Disposal Agreement, Alphameric plc has agreed to sell the entire issued share capital of ASL to Orbis Holdings, a wholly owned subsidiary of NDS Group. The consideration for the Disposal is £15.475 million and is subject to adjustment as referred to below (the “**Purchase Price**”).

The Consideration comprises £3.2 million payable in cash on Completion together with the discharge by Orbis Holdings of intra-Group indebtedness of ASL of £12.275 million on Completion.

The Consideration will be adjusted by reference to the net asset and net debt position of ASL as at Completion as determined in a completion balance sheet to be prepared by Orbis Holdings and reviewed by the Company and the Company’s accountants.

The Company has agreed to make a payment of £1.2 million to Orbis Holdings on Completion in respect of restructuring costs.

#### Condition to Completion

Completion is conditional upon the passing of the Disposal Resolution at the General Meeting. The Disposal Agreement shall terminate if the Disposal Resolution is not passed on or before 11 June 2010.

#### Warranties

Pursuant to the Disposal Agreement, the Company has given certain warranties and covenants customary for a transaction of this nature, subject to certain standard limitations. These include a cap on the Company’s liability of the amount of the Consideration, subject to a *de minimis* threshold of £250,000 (ignoring any individual claims of an amount less than £25,000). Claims must be brought by Orbis Holdings not later than two years from the date of Completion in relation to non-tax warranty claims (save in respect of certain warranty claims relating to software which must be made not later than forty-two months from the date of Completion) and not later than seven years from the date of Completion in relation to tax related claims under the Disposal Agreement and its related covenant.

The sum of £2.0 million from the cash Consideration is to be placed into an escrow account to be used against any claims made by Orbis Holdings under the Disposal Agreement within 18 months from the date of Completion.

#### Indemnities

The Company has also given certain indemnities of a nature customary for a transaction such as the Disposal. These indemnities include an indemnity against any losses suffered or incurred by ASL arising from the disposal of the Hospitality Business in July 2008 and indemnities in relation to the current and previous occupation of properties by ASL.

#### Termination rights

In the event that (i) a material adverse change occurs to the financial position of ASL (ii) if there is a material breach of the warranties (iii) there occurs any act or event which upon Completion would result in a material breach of any of the warranties or (iv) the Company is in material breach of its obligations under the Disposal

Agreement, in any case prior to Completion, which would result in a claim of £2.0 million or more, Orbis Holdings will be entitled to terminate the Disposal Agreement.

### **Restrictive covenants**

The Company has given restrictive covenants to Orbis Holdings to the effect that the Continuing Group will not compete with ASL for a period of three years from Completion. The Company has also covenanted with Orbis Holdings that neither it nor any member of the Continuing Group will, for a period of three years from Completion, solicit or endeavour to entice away any person, who is, at Completion, a senior employee of ASL. The Company has further covenanted with Orbis Holdings that neither it nor any member of the Continuing Group will, for a period of three years following Completion, employ, engage or appoint any person who is, at Completion, a senior employee of ASL.

### **Employees**

Three employees of Alphameric plc (including James Soulsby) will transfer to Orbis Holdings under the operation of TUPE.

### **Property**

Under the terms of the Disposal Agreement, the following properties will be dealt with as set out below:

#### ***Andover***

The Purchaser or ASL will enter into a lease arrangement with Alphameric plc in relation to the Andover Property.

#### ***Bishopsgate***

The lease of ASL's main business premises at Bishopsgate House will be assigned or transferred to the Purchaser or ASL.

### **Break Fee**

The Company has agreed to pay a break fee to Orbis Holdings in certain circumstances, including if the Directors withdraws or modifies its recommendation to Shareholders to vote in favour of the Disposal Resolution or if Shareholders have not passed the Disposal Resolution by 28 May 2010. The break fee shall be £750,000 plus VAT (if applicable) provided that the break fee shall not exceed an amount equal to 1 per cent. of the market capitalisation of the Company as at the date of the Disposal Agreement.

## PART 6

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Directors, whose names appear on page 3 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.
- 1.2 This document has not been issued on behalf of, nor have its contents been authorised in whole or in part by, NDS Group, Orbis Holdings or Orbis Technology Limited or any of their respective directors or officers and no such person accepts responsibility for this document or any part of it.

#### 2. Directors

The names and positions of the Directors of the Company are as follows:

<i>Name of director</i>	<i>Position</i>
Peter Bertram	<i>Chairman</i>
Alan McWalter	<i>Senior Independent Non-Executive Director</i>
Mike McLaren	<i>Group Finance Director and Chief Operating Officer of ASL</i>
James Soulsby	<i>Group Commercial Director</i>

#### 3. Company address

The registered office and the principal place of business in the UK of the Company is at Bishopsgate House, Broadford Park, Shalford, Surrey GU4 8ED. The telephone number of the registered office is +44 (0)148 293 900.

#### 4. Directors' interests

- 4.1 As at 6 May 2010 (being the latest practicable date prior to the publication of this document) the interests of the Directors, their immediate families and persons connected with the Directors (within the meaning of sections 252 and 255 of the Act) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company were as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Mike McLaren	231,912	0.103%

- 4.2 The total number of Ordinary Shares in issue as at 6 May 2010 was 225,415,063 Ordinary Shares.

- 4.3 As at 6 May 2010 (being the latest practicable date prior to the publication of this document), the Directors held options under the Share Scheme over the Company's Ordinary Shares as follows:

<i>Director</i>	<i>Options</i>	<i>Final Exercise Date</i>	<i>Exercise price pence</i>
Mike McLaren	909,606	17/02/2010	273
	389,830	20/02/2010	300
	189,345	24/03/2012	78
	296,920	24/03/2013	36
James Soulsby	163,230	24/03/2012	78
	259,886	24/03/2013	36

- 4.4 As at 6 May 2010 (being the latest practicable date prior to the publication of this document), the Directors held interests in Ordinary Shares under the SIP as follows:

<i>Director</i>	<i>Total No. of Matching, Partnership and Dividend Shares held</i>
Mike McLaren	17,926
James Soulsby	23,991

- 4.5 Save as disclosed in this paragraph 4, none of the Directors (or persons connected with the Directors within the meaning of sections 252 and 255 of the Act) has any beneficial or non-beneficial interest in any securities of the Company or its Subsidiaries.

- 4.6 In addition to the interests of the Directors disclosed in this paragraph 4, set out below are, in so far as is known to the Company, the names of those persons other than the Directors, who directly or indirectly have an interest in 3 per cent. or more of the issued share capital of the Company as at 6 May 2010 (being the latest practicable date prior the publication of this document).

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Mayfair Capital Investment Limited	67,600,569	29.99%
GAM London Limited	20,470,700	9.08%
Aviva plc	13,057,026	5.79%
Herald Inv Mgmt Limited	12,716,700	5.64%
Legal & General Group plc	9,085,830	4.03%
Leo Fund Managers Limited	8,057,648	3.57%
Hermes Pensions Management Limited	6,920,960	3.07%

- 4.7 Save as disclosed above, no Director nor (so far as is known to the relevant Director) any person connected with a Director has any interests in the share capital of the Company or any of its Subsidiaries. In addition, save as disclosed above, no other option or rights to require the allotment of Ordinary Shares have been granted by the Company to the Directors.

## **5. Directors' service agreements and letters of appointment**

- 5.1 Mike McLaren has a service agreement dated 17 February 2003 with the Company under which he has been appointed Group Finance Director at an annual salary of £215,000 subject to annual review. The Company contributes to the Company's pension scheme on behalf of Mr. McLaren a sum equal to 10 per cent. of his salary subject to him contributing 5 per cent. of salary into the pension scheme. The Company also provides Mr. McLaren with a car allowance, private medical cover, permanent health insurance and death-in-service benefits. The service agreement is terminable by either party on not less than twelve months notice.
- 5.2 James Soulsby has a service agreement dated 17 February 2003 with the Company under which he has been appointed Group Commercial Director at an annual salary of £189,625 subject to annual review. The Company contributes to the Company's pension scheme on behalf of Mr. Soulsby a sum equal to 10 per cent. of his salary subject to him contributing 5 per cent. of salary into the pension scheme. The Company also provides Mr. Soulsby with a car allowance, private medical cover, permanent health insurance and death-in-service benefits. The service agreement is terminable by either party on not less than twelve months notice.
- 5.3 Peter Bertram has a letter of appointment dated 21 March 2007 (as varied by a letter dated 16 April 2010) with the Company under which he has been appointed as Chairman for an annual fee of £100,000 subject to annual review. Mr. Bertram's appointment to the board of the Company is set to expire on 25 April 2013 subject to the terms of the Company's Articles and the Act and Shareholder approval. Mr. Bertram does not participate in any bonus plan or share incentive plan operated by the

Company and is not entitled to pension contributions or other benefits provided by the Company. The letter of appointment is terminable by either party on not less than six months notice.

- 5.4 Alan McWalter has a letter of appointment dated 23 December 2002 (as amended on 15 February 2006) with the Company under which he has been appointed as a Non-Executive Director for an annual fee of £40,000 subject to annual review. Mr. McWalter's appointment to the board of the Company is set to expire on 31 March 2012 subject to the terms of the Articles and the Act and Shareholder approval. Mr. McWalter does not participate in any bonus plan or share incentive plan operated by the Company and is not entitled to pension contributions or other benefits provided by the Company.
- 5.5 The amount of remuneration paid (including any contingency or deferred compensation) and benefits in kind granted to each of the Directors by any member of the Group for services in all capacities to the Group for the financial year ended 30 November 2009 were as follows:

	<i>Basic Salary/Fee (£'000)</i>	<i>Annual Bonus (£'000)</i>	<i>Pension (£'000)</i>	<i>Benefits (£'000)</i>	<i>Total (£'000)</i>
Mike McLaren	213	108	21	15	357
James Soulsby	189	95	19	15	318
Peter Bertram	80	Nil	Nil	Nil	80
Alan McWalter	40	Nil	Nil	Nil	40

- 5.6 The Group operates defined contribution pension schemes available to all employees, into which members of the Group make a contribution. The Company does not make any pension contributions to any pension scheme for non-executive directors. The total amount accrued by the Company in respect of pension contributions to Directors for the year ended 30 November 2009 was £67,000.
- 5.7 There are no existing or proposed service agreements between any Director and the Company or any of its Subsidiaries providing for benefits upon termination of employment.

## 6. Material contracts

### 6.1 *The Continuing Group*

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into (a) in the two years immediately preceding the date of this document by the Continuing Group and are material or (b) contain provisions under which any member of the Continuing Group has any obligations or entitlements which are or may be material to the Continuing Group as at the date of this document:

#### 6.1.1 *Disposal Agreement*

The principal terms of the Disposal Agreement are set out in Part 5 of this document.

#### 6.1.2 *Torex Disposal Agreement*

The Company, ASL and Alphameric Hospitality entered into a disposal agreement on 1 July 2008 with Torex Hospitality and Torex Retail (the "**Torex Disposal Agreement**"). Under the terms of the Torex Disposal Agreement, Torex Hospitality agreed to acquire all the assets and certain liabilities of the Hospitality Business from ASL and Alphameric Hospitality.

The Torex Disposal Agreement contains certain customary warranties and indemnities relating to the Hospitality Business which are subject to certain standard limitations. The liability of ASL under the warranties is limited to a sum equal to the cash consideration paid in accordance with the Disposal Agreement.

Any non-tax warranty claim must be made by no later than two years from 1 July 2008, being the date of completion of the disposal (save in respect of certain warranty claims relating to

software which must be made not later than 42 months from the date of completion) and any warranty claim relating to tax by not later than one month after the seventh anniversary of completion. A sum of £2 million was placed in an escrow account to be utilised against any claims made by Torex Hospitality under the Torex Disposal Agreement within 12 months from the date of Completion. No such claims were made and the sum was released to the Company.

The Torex Disposal Agreement contains certain restrictive covenants given by ASL to Torex Hospitality to the effect that the Group will not compete with the Hospitality Business for a period of three years from completion. In addition, ASL agreed that neither it, nor any member of the Group would, solicit any person who was, at the time of completion, a senior employee of the Hospitality Business. ASL further agreed that neither it, nor any member of the continuing group would, for a period of two years following completion, employ, engage or appoint any person who was, at completion, a senior employee of the Hospitality Business.

The obligations of ASL and Alphameric Hospitality under the Torex Disposal Agreement are guaranteed by Alphameric.

### 6.1.3 *AMRAC Shareholders' Agreement*

Alphameric Gaming entered into a shareholders agreement on 1 December 2006 with RMS (“**Shareholders' Agreement**”). The share capital of AMRAC is divided 50:50 between RMS and Alphameric Gaming.

The AMRAC shareholders agreed that AMRAC procure the supply of simultaneous transmission of audiovisual and data content consisting of coverage of all of the races from Racing UK racecourses (and other selected races from non-Racing UK racecourses, greyhound racing tracks and other sporting events) for subscription by operators of LBOs in the UK and the Republic of Ireland.

The AMRAC shareholders have also entered, under the terms of the Shareholders' Agreement, (i) services agreements with AMRAC for the licensing and supply to AMRAC by the AMRAC shareholders of such rights and services as AMRAC require and (ii) LBO licences with the racecourses for the licence of certain LBO rights to AMRAC.

The Shareholders' Agreement contains provisions in respect of the management of AMRAC that are ordinarily expected for a 50:50 joint venture. The provisions include that the board of directors have a minimum of two directors with at least one director appointed by each AMRAC shareholder; pre-emptive rights in favour of each AMRAC shareholder; deadlock provisions; and restraints on AMRAC shareholders operating a business in competition with, or soliciting customers of, AMRAC (whilst an AMRAC shareholder remains a shareholder of AMRAC and for two years after an AMRAC shareholder ceases to be a shareholder of AMRAC).

The Shareholders' Agreement also includes matters that require the unanimous consent of the board of directors of AMRAC and/or the AMRAC shareholders, such as borrowings, material changes to the operation of the business, declaration and payment of dividends and variation to the share capital of AMRAC.

The Shareholders' Agreement may be terminated or shall be deemed to have terminated at any time by the written agreement of the AMRAC shareholders or automatically if any one or more of a number of standard events occur including, *inter alia*, (i) the insolvency or change of control of an AMRAC shareholder; (ii) a *force majeure* event, and (iii) an AMRAC shareholder commits a material or persistent breach of the Shareholders' Agreement or a services agreement which has not been remedied within 30 days or is not capable of being remedied.

The Shareholders' Agreement contains standard confidentiality provisions that would be ordinarily expected for an agreement of this type.

#### 6.1.4 *AMRAC overdraft facility*

On 11 May 2007, AMRAC accepted a £5,000,000 overdraft facility from HSBC. The facility was reviewed on 31 March 2010 and decreased to £2,000,000. The facility is secured by a debenture comprising a fixed and floating charge over all the assets and undertaking of AMRAC (“**Security**”). The Company previously gave a company guarantee of up to £5,000,000 in favour of HSBC to secure all liabilities of AMRAC but this was released when the facility was reviewed.

AMRAC may, at any time, repay the amount owing to HSBC under the facility together with any interest owing. Interest is chargeable on the outstanding amount under the facility at HSBC’s base lending rate plus 2 per cent. Per annum, to be debited from AMRAC facility current account. AMRAC may also be subject to a daily overdraft fee in circumstances where it exceeds the limits under the facility. AMRAC shall also pay all costs and expenses incurred by HSBC in connection with the preparation and administration of the facility and the Security (and any enforcement proceedings of or the preservation of any rights under the facility or the Security).

AMRAC must submit to HSBC monthly management accounts within 30 days of the end of each month containing detailed profit and loss accounts, income and expenditure figures, a cash flow summary, comments on material deviations to budget and, where applicable, all should include a comparison of actual performance with forecast performance.

The facility is subject to general terms and conditions and accordingly AMRAC has given undertakings, representations and indemnities.

#### 6.2 *ASL*

Except as referred to in paragraph 6.1.2 above, no contracts (not being contracts entered into in the ordinary course of business) have been entered into (a) in the two years immediately preceding the date of this document by ASL and are material or (b) contain provisions under which ASL has any obligations or entitlements which are or may be material to ASL as at the date of this document.

### 7. **Working capital**

The Company is of the opinion that, after taking into account available bank and other facilities and the net proceeds of the Disposal, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

### 8. **Litigation**

8.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Alphameric is aware), which during the 12 month period prior to the publication of this document may have, or have had in the recent past, significant effects on the financial position or profitability of the Continuing Group.

8.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Alphameric is aware), which during the 12 month period prior to the publication of this document may have, or have had in the recent past, significant effects on the financial position or profitability of ASL.

### 9. **Significant change**

9.1 There has been no significant change in the financial or trading position of the Continuing Group since 30 November 2009, being the date of the last audited financial statements of the Group.

9.2 There has been no significant change in the financial or trading position of ASL since 30 November 2009, being the date to which the financial information shown in Part 3 has been prepared.

## **10. Consent**

- 10.1 Investec, of 2 Gresham Street, London EC2V 7QP, which is regulated by the Financial Services Authority, has given and has not withdrawn its written consent to the issue of this document with references to its name being included in it in the form and context in which they appear.
- 10.2 Grant Thornton UK LLP (a member of the Institute of Chartered Accountants in England and Wales) has given and has not withdrawn its written consent to the inclusion in this document of its letter set out in Part 4, and the references to that letter, in the form and context in which it appears and has authorised the contents of its letter in Part 4 of this document.

## **11. Related Party Transactions**

There are no related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) that members of the Group have entered into during the three financial years ended 30 November 2009 and up to the date of this document.

## **12. Documents available for inspection and available information**

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting:

- (a) the Disposal Agreement;
- (b) the Articles;
- (c) the audited consolidated financial statements of the Group for the three financial years ended 30 November 2009;
- (d) the letter from Grant Thornton UK LLP set out in Part 4 of this document;
- (e) the written consents referred to in paragraph 10 of this Part 6; and
- (f) this document.

## PART 7

### DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

“Act”	the Companies Act 2006
“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 resolution to be proposed at the General Meeting relating to the Delisting and Admission
“AIM Rules”	the AIM Rules issued by the London Stock Exchange in relation to AIM traded securities
“Alphameric” or “Company”	Alphameric plc (a company incorporated in England and Wales under registered number 0957155) whose registered office is at Bishopsgate House, Broadford Park, Shalford, Surrey GU4 8ED
“Alphameric Gaming”	Alphameric Gaming Limited (a company incorporated in England and Wales under registered number 02697762), a wholly-owned subsidiary of the Company
“Alphameric Hospitality”	Alphameric Hospitality Limited (a company incorporated in England and Wales under registered number 01662440)
“AMRAC”	Amalgamated Racing Limited (a company incorporated in England and Wales under registered number 05849833) whose registered office is at 10th Floor, The Met Building, 22 Percy Street, London W1T 2BU
“Andover Property”	the premises known as Plot 24, East Portway Industrial Estate, Andover, Hampshire
“Articles”	the articles of association of the Company
“ASL”	Alphameric Solutions Limited (a company incorporated in England and Wales with registered number 02730742) whose registered office is at Bishopsgate House, Broadford Park, Shalford, Surrey GU4 8ED
“BAGS”	Bookmakers’ Afternoon Greyhound Services Limited (a company incorporated in England and Wales under registered number 00914933) whose registered office is at The Director General’s House, 15 Rockstone Place, Southampton SO15 2EP
“BET”	a licensed betting office situated in Dorking currently owned by Alphameric
“Bishopsgate House”	the premises known Bishopsgate House, Broadford Business Park, Shalford, Surrey
“Board” or “Directors”	the directors of the Company as at the date of this document whose names are set out on page 3 of this document

“Capita Registrars”	Capita Registrars Limited
“Circular”	this document
“Completion”	completion of the Disposal in accordance with the terms of the Disposal Agreement
“Consideration”	the consideration payable to Alphameric under the Disposal Agreement as more particularly described in Part 5 of this document
“Continuing Group”	the Group following Completion
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Proxy Instruction”	an order for a proxy appointment or instruction made using CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“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
“Disposal”	the proposed sale of the entire issued share capital of ASL pursuant to the Disposal Agreement
“Disposal Agreement”	the conditional agreement between the Company and Orbis Holdings dated 7 May 2010 relating to the sale and purchase of ASL
“Disposal Resolution”	the resolution to be proposed at the General Meeting relating to the Disposal
“EC Treaty”	the treaty establishing the European Community, formerly known as the European Economic Community Treaty
“ERP”	Enterprise Resource Planning
“Financial Services Authority” or “FSA”	the Financial Services Authority of the UK 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 otherwise than in accordance with Part VI of FSMA
“Form of Proxy”	the form of proxy relating to the General Meeting being sent to Shareholders with this document
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on Tuesday 25 May 2010 (or any adjournment of it), notice of which is set out at the end of this document or any reconvened meeting following any adjournment thereof
“Group”	the Company and its Subsidiaries
“Hospitality Business”	certain business and assets comprising the hospitality business of Alphameric Solutions and Alphameric Hospitality sold pursuant to the Torex Disposal Agreement
“Investec”	Investec Bank plc, whose registered office is at 2 Gresham Street, London EC2V 7QP

“Jockey Club”	Jockey Club Racecourses (Holdings) Limited (a company incorporated in England and Wales under registered number 806698), which owns and operates a diversified portfolio of 14 racecourses in the UK
“LBO”	licensed betting office
“Listing Rules”	the Listing Rules of the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Nabarro”	Nabarro LLP, whose place of business is Lacon House, 84 Theobald’s Road, London WC2X 8RW
“Name Change”	the proposed change of the Company’s name to Timeweave plc following completion of the Disposal
“NDS Group”	NDS Group Limited (a company incorporated in England and Wales with registered number 01950497) whose registered office is at One London Road, Staines, Middlesex TW18 4EX
“Official List”	the Official List of the Financial Services Authority
“Orbis Holdings” or “Purchaser”	Orbis Holdings Limited (a company incorporated in England and Wales with registered number 06712030) whose registered office is at One London Road, Staines, Middlesex TW18 4EX
“Orbis Technology”	Orbis Technology Limited (a company incorporated in England and Wales with registered number 03134634) whose registered office is at One London Road, Staines, Middlesex TW18 4EX
“Ordinary Shares”	ordinary shares of 2.5 pence each in the capital of the Company
“Resolutions”	the Disposal Resolution and the AIM Resolution
“Rights Issue”	the rights issue to holders of Ordinary Shares on the register of members of the Company at close of business at 5:30pm on 27 November 2007
“Rights Issue Shares”	92,817,967 new Ordinary Shares allotted and issued by the Company pursuant to the Rights Issue
“RMS”	Racecourse Media Services Limited (a company incorporated in England and Wales with registered number 5531220)
“Share Scheme”	(i) the Alphameric plc 1997 Senior Executive Share Option Scheme; and (ii) the Alphameric plc 1999 Senior Executive Share Option Scheme
“Shareholders”	the holders of Ordinary Shares
“SIP”	the Alphameric plc Share Incentive Plan
“Solutions Business”	Alphameric Solutions Limited
“Subsidiaries”	the subsidiaries of the Company
“Torex Disposal Agreement”	the disposal agreement described in paragraph 6.1.2 of Part 6 of this document
“Torex Hospitality”	Torex Hospitality Solutions Limited (a company incorporated in England and Wales with registered number 6604882)

“Torex Retail”	Torex Retail Holdings Limited (a company incorporated in England and Wales with registered number 06273940)
“Tote”	Tote Bookmakers Limited
“TUPE”	the Transfer of Undertakings (Protection of Employment) Regulations 2006
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA” or “UK Listing Authority”	the FSA acting in its capacity as the competent authority for listing under Part VI of the Financial Services and Markets Act 2000

# ALPHAMERIC PLC

(Incorporated and registered in England & Wales with registered number: 00957155)

## NOTICE OF GENERAL MEETING

NOTICE is hereby given that a general meeting of Alphameric plc (the “Company”) will be held at 10.00 a.m. on Tuesday 25 May 2010 at the offices of Nabarro LLP, Lacon House, 84 Theobald’s Road, London WC1X 8RW to transact the following business. Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

1. THAT, subject to and conditional on Resolution 2 being passed, the proposed disposal by the Company of the whole of the issued share capital of ASL (as defined in the circular dated 7 May 2010 sent by the Company to its shareholders) (the “Circular”) be and is hereby approved on the terms and conditions contained in the disposal agreement dated 7 May 2010 between (1) the Company and (2) Orbis Holdings Limited (the “Disposal Agreement”) and described in the Circular and with such non-material amendments to it as the directors of the Company (or any duly constituted committee) may consider appropriate; and
2. THAT, subject to and conditional on Resolution 1 being passed and the Disposal Agreement completing in accordance with its terms, the listing of the ordinary shares of 2.5 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 for the said ordinary shares to trading on AIM.

### *Registered Office*

Bishopsgate House  
Broadford Park  
Shalford  
Surrey  
GU4 8ED

By order of the Board  
Lorri Warrington  
*Secretary*

7 May 2010

### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
3. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, completed proxies must be received (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) by Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 4.30 p.m. on Friday 21 May 2010. Alternatively, you may fill in your form of proxy online at [www.capitashareportal.com](http://www.capitashareportal.com) in accordance with the on-screen instructions.
4. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Capita Registrars at 34 Beckenham Road, Beckenham, Kent BR3 4TU. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

5. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “Nominated Persons”). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member who has nominated him to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising 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 made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland’s 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 so as to be received by the issuer’s agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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 Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. 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.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the 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 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.
10. Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on Monday 24 May 2010 (or, if the meeting is adjourned, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
13. As at 6 May 2010 (being the last business day before the publication of this Notice), the Company’s issued share capital consisted of 225,415,063 ordinary shares carrying one vote each. Therefore the total voting rights in the Company are 225,415,063.
14. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:
  - (a) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the meeting; or
  - (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last General Meeting, that the members propose to raise at the meeting.
15. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company’s auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
16. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
  - (a) to do so 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.
17. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.alphameric.com](http://www.alphameric.com).
18. The following documents are available for inspection at the registered office of the Company during normal business hours on each weekday (public holidays excluded) and at the place of the annual general meeting for 15 minutes prior to and during the meeting:
  - (a) copies of the executive directors’ service contracts with the Company; and
  - (b) copies of letters of appointment of non-executive directors.

