

ANNUAL REPORT 2008

IRISH TAKEOVER PANEL

Report for the year ended 30 June 2008

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This annual report of the Irish Takeover Panel is made to
Mary Coughlan, T.D., Tánaiste, Minister for Enterprise, Trade and Employment as required
by section 19 of the Irish Takeover Panel Act, 1997

Irish Takeover Panel (Registration No. 265647), Lower Ground Floor, 76 Merrion Square, Dublin 2

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Members of the Panel

Irish Association of Investment Managers

Irish Clearing House Limited

- Nominated by the Irish Bankers Federation

Irish Stock Exchange Limited

Law Society of Ireland

Pat Costello

- Nominated by the Consultative Committee
of Accountancy Bodies - Ireland

Directors of the Panel

Chairperson

Rory Brady, S.C.

Appointed by the Governor of
the Central Bank of Ireland

Deputy Chairperson

William M. McCann

Appointed by the Governor of
the Central Bank of Ireland

David Beattie

(Alternate: Alvin Price)

Appointed by the Law Society
of Ireland

Thomas Byrne

(Alternate: John Butler)

Appointed by the Irish Bankers
Federation

Paul D'Alton

Appointed by the Consultative
Committee of Accountancy
Bodies – Ireland

Ann Fitzgerald

(Alternate: Philip Sykes)

Appointed by the Irish Association
of Investment Managers

Daniel Kitchen

(Alternate: Gerardine Jones)

Appointed by
the Irish Stock Exchange

Director General (and Secretary of the Panel)

Miceal Ryan

Introduction

The Irish Takeover Panel (the “Panel”) is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel was established by the Irish Takeover Panel Act, 1997 (the “Act”) and is incorporated as a company limited by guarantee. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”) for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

The Panel is responsible for making Rules to ensure that takeovers (including takeover bids as defined in the Regulations) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. These General Principles are designed to ensure fair and equal treatment of all shareholders in relation to takeovers. The Rules also serve to provide an orderly framework within which takeovers can be conducted.

The Panel has extensive powers under the Act to make rulings and give directions, to hold hearings, to summon witnesses and to require production of documents and other information, where these are appropriate in the discharge of its statutory functions.

Chairperson's Statement

The Panel had another busy year supervising nine takeovers and meeting on twenty seven occasions to consider regulatory issues. The takeovers supervised by the Panel during the year are set out in Appendix 2.

A considerable amount of time was expended during the year by the Panel Executive on revising the Rules. In December 2007 the Panel published revised Takeover Rules and Substantial Acquisition Rules (i.e. the Irish Takeover Panel Act, 1997, Takeover Rules, 2007 and the Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2007). As referred to in last year's Annual Report the revised Takeover Rules were published in order to eliminate a number of anomalies and difficulties associated with the introduction of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006. As a consequence, the Takeover Rules now, in the main, apply uniformly to all companies and transactions falling within the Panel's jurisdiction.

In February 2008 the Panel published a consultation paper in relation to proposals to amend the Takeover Rules as they apply to schemes of arrangement. A number of these proposals were a direct result of the Panel's involvement during 2007 in the supervision of a takeover of a relevant company involving competing schemes of arrangement. The amended Rules (i.e. Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2008) came into effect on 15 September and, in summary, represent a more comprehensive application of the Rules to schemes of arrangement.

In July 2008 the Panel published a consultation paper in connection with proposals to introduce a more expansive disclosure regime which would increase the requirements to disclose dealings in derivatives referenced to, and options in respect of, relevant securities. Such a regime would recognise the potential de facto control and influence exercised by persons with long derivative or option positions. The Panel believes that it would also facilitate market transparency and, in particular, allow market participants to understand the reasons why the prices of offeror or offeree company securities may be increasing or decreasing. The consultation period in relation to these proposals expires on 30 September and it is the Panel's intention to publish the revised Rules before the end of the calendar year.

The process of revising the Rules is ongoing and there are a number of other amendments to the Rules which the Executive will be considering during the current year. Consultation papers in relation to these issues will be published in due course.

Daniel O’Keeffe retired as Chairperson of the Panel in March following his appointment as a High Court Judge. Dan served as Chairperson of the Panel since its establishment in 1997 and played a key role in helping to guide the development of the Panel over his eleven year tenure as Chairperson. On behalf of the Board, I would like to thank Dan for his considerable contribution to the Panel and to wish him every success in his new role.

It is with sadness and regret that we record the death of Richard Keatinge in February of this year. The Board wishes to acknowledge Mr. Keatinge’s very substantial contribution to the Panel’s operations during his tenure as a Director.

I would like to welcome Danny Kitchen on his appointment as a Director of the Panel. Danny, who previously served as a Director for nearly six years, was appointed to the Board by the Irish Stock Exchange following the death of Richard Keatinge.

Rory Brady
Chairperson

24 September 2008

Director General's Report

Rule 19.4 (advertisements) and websites

In its 2002 Annual Report the Panel set out its interpretation of Rule 19.4 in the context of material connected with an offer which is published on websites. That interpretation means that all such material is regulated under Rule 19.4 and consequently, requires Panel consent prior to publication. This is subject to certain exceptions such as firm intention announcements, offer documents, first response circulars, Rule 17 announcements and other documents or announcements which are central to the offer procedure and are regulated elsewhere in the Rules. In light of the significant increase in the availability and distribution of offer related information on websites the Panel has reconsidered this interpretation.

Rule 19.8 states that Rule 19 shall apply to electronic communications as it applies to communications in other forms. Consequently, Rules 19.1 (standards of care), 19.2 (responsibility) and 19.3 (avoidance of misleading statements) apply to all offer connected material published on a website. Furthermore, Rule 19.7 (distribution and availability of documents and announcements) also applies to such material and consequently, copies of all relevant website pages must be furnished at the time of release to the Panel and to the advisors to all other principals concerned with the offer or any competing offer. The Panel is now of the view that with regard to the publication of offer related material on websites it is appropriate that Rule 19.4 be applied to offer related advertisements only. It believes that the content of website material which is not specifically regulated elsewhere in the rules would be adequately regulated by Rules 19.1, 19.2 and 19.3 and that prior Panel consent under Rule 19.4 is not necessary.

Cross-Border Mergers Regulations

The European Communities (Cross-Border Mergers) Regulations were signed into law on 27 May 2008. The Regulations transpose EU Directive 2005/56/EC on cross-border mergers of limited liability companies.

The Regulations introduce a new type of statutory merger, a “cross-border merger”, which involves at least one Irish company and at least one company governed by the laws of an European Economic Area State other than the Republic of Ireland. The type of merger envisaged by the Regulations is one where, subject to shareholders’ and High Court approvals, the assets and liabilities of one or more transferor companies are transferred to a successor company which issues shares to the shareholders of the transferor companies. The

latter companies are then dissolved. Regulation 16(6) states inter alia that nothing in the Regulations limits the jurisdiction of the Panel under the Irish Takeover Panel Act 1997 (“Act”) with respect to a cross-border merger that involves a relevant company and constitutes a takeover (within the meaning of the Act).

Where the transferor company is a relevant company there would be no takeover as defined under the Act and consequently, the Takeover Rules would not apply. However, if a successor company is a relevant company there could be an issue under Rule 9 (mandatory offers) or under Rule 40 (reverse takeover transactions).

Financial statements

Operating income in the twelve months ended 30 June 2008 decreased by 41.4% to €741,107. The decrease was primarily due to the special reduction of 58.1% during the year in the annual charge on relevant companies and a near 50% decrease in income from document charges. Expenditure for the year amounted to approximately €1.1 million, an increase of 16.2% on the previous year. A significant proportion of this increase arises from increased legal and printing costs associated with the publication of revised rules and current proposals to amend the rules. Rental costs have also increased during the year as a result of the Panel’s move to new premises in November 2007. The Panel’s cash balances at 30 June 2008 amounted to €1,936,043.

Miceal Ryan

Director General

24 September 2008

Directors' Report

The directors present their annual report and audited financial statements for the year ended 30 June 2008.

Principal activities, review of operations and future developments

The Irish Takeover Panel (the "Panel") is a public company limited by guarantee formed and registered under the Companies Acts, 1963 to 2006. The company was incorporated on 29 April 1997.

The Panel is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

The Panel is responsible for making Rules to ensure that takeovers and other relevant transactions comply with the General Principles set out in the Schedule to the Act.

A review of operations and future developments is contained in the Chairperson's Statement and the Director General's Report.

Principal risks and uncertainties

Under Irish Company Law, the Panel is required to give a description of the principal risks and uncertainties which it faces. The principal risks are:

- a significant reduction in the income from relevant company charges and/or contract note levies; and
- a substantial increase in expenditure.

These risks are monitored by the Panel through its financial reporting procedures. The Panel's objective is to maintain adequate resources to meet any unforeseen substantial reduction in income and any substantial increase in expenditure.

Results for the year

The results for the year are set out in the Income and Expenditure Account on page 17. There was no transfer from the Income and Expenditure Account to the Contingency Reserve (2007: €400,000).

Accounting records

The directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the company are maintained at 76 Merrion Square, Dublin 2.

Post balance sheet events

No material events effecting the financial statements have occurred since the end of the financial year.

Auditor

In accordance with section 160 (2) of the Companies Act, 1963, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

R. Brady
Chairperson

W. M. McCann
Deputy Chairperson

24 September 2008

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Acts, 1963 to 2006.

On behalf of the Board

R. Brady
Chairperson

W. M. McCann
Deputy Chairperson

24 September 2008

Independent Auditor's Report to the members of the Irish Takeover Panel

(limited by guarantee)

We have audited the financial statements of Irish Takeover Panel for the year ended 30 June 2008 which comprises the Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 13.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 30 June 2008 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

KPMG

Chartered Accountants

Registered Auditor

Dublin

24 September 2008

Financial Statements

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

Operating income

This represents primarily the invoiced value of annual and document charges that the Company is entitled to levy and contract note levies on dealings in quoted securities of relevant companies collected through brokers on an accruals basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the original cost of tangible fixed assets over their expected useful lives. A full years depreciation is charged in the year of acquisition. Depreciation is applied at the following annual rates:

Fixtures and fittings	20%
Computers	33%
Motor vehicle	25%

Cash flow statement

The company is exempted from the preparation of a cash flow statement as it qualifies as a small company under the Companies (Amendment) Act, 1986.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The annual charge is calculated as a percentage of pensionable payroll and is charged to the Income and Expenditure Account on an accruals basis.

Financial Statements

Income and Expenditure Account

for the year to 30 June 2008

		Year ended 30 June 2008	Year ended 30 June 2007
	<i>Notes</i>	€	€
Operating income	<i>1</i>	741,107	1,265,142
Operating expenditure	<i>2</i>	(1,107,480)	(952,913)
		<hr/>	<hr/>
Operating (deficit)/surplus		(366,373)	312,229
Profit on disposal of fixed assets		2,500	19,844
Interest income		88,885	68,560
		<hr/>	<hr/>
(Deficit)/surplus for the financial year	<i>10</i>	(274,988)	400,633
		<hr/> <hr/>	<hr/> <hr/>

The results derive from continuing operations.

There were no recognised gains or losses in the financial year or preceding financial year other than those included above in the Income and Expenditure Account.

On behalf of the Board

R. Brady
Chairperson

W. M. McCann
Deputy Chairperson

Financial Statements

Balance Sheet

as at 30 June 2008

		30 June 2008	30 June 2007
	Notes	€	€
Fixed assets			
Tangible assets	6	40,307	33,689
		<hr/>	<hr/>
Current assets			
Debtors and prepayments	7	133,077	119,016
Cash at bank		1,936,043	2,215,621
		<hr/>	<hr/>
		2,069,120	2,334,637
Creditors: amounts falling due within one year	8	(71,110)	(55,021)
		<hr/>	<hr/>
Net current assets		1,998,010	2,279,616
		<hr/>	<hr/>
Total assets less current liabilities		2,038,317	2,313,305
		<hr/> <hr/>	<hr/> <hr/>
Accumulated surplus and reserve			
Contingency reserve	9	2,250,000	2,250,000
Income and Expenditure account	10	(211,683)	63,305
		<hr/>	<hr/>
		2,038,317	2,313,305
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the Board

R. Brady
Chairperson

W. M. McCann
Deputy Chairperson

Financial Statements

Notes

1	Operating income	Year ended 30 June 2008	Year ended 30 June 2007
		€	€
	Relevant company annual charges	276,243	590,338
	Document charges	153,150	303,530
	Contract note levies	309,583	368,524
	Other	2,131	2,750
		<hr/>	<hr/>
		741,107	1,265,142
		<hr/> <hr/>	<hr/> <hr/>

2	Operating expenditure	Year ended 30 June 2008	Year ended 30 June 2007
		€	€
	Operating expenditure includes:		
	Depreciation	15,636	11,185
	Auditor's remuneration	6,050	6,050
		<hr/>	<hr/>

3 Employees

The average number of persons employed by the company and the employee costs during the year were as follows:

	Year ended 30 June 2008	Year ended 30 June 2007
	Number	Number
Number:		
Administration	4	5
Directors	7	7
	<hr/>	<hr/>
	11	12
	<hr/> <hr/>	<hr/> <hr/>

Financial Statements

Notes (continued)

3 Employees (continued)

Costs:	Year ended 30 June 2008	Year ended 30 June 2007
	€	€
Salaries	345,533	315,984
Directors' remuneration	257,006	254,000
PRSI costs	33,985	29,493
Pension costs (note 4)	52,617	45,168
	<hr/>	<hr/>
	689,141	644,645
	<hr/> <hr/>	<hr/> <hr/>

4 Pension costs	Year ended 30 June 2008	Year ended 30 June 2007
	€	€
Pension charge	52,617	45,168
	<hr/>	<hr/>

The company makes contributions to a defined contribution scheme for certain employees, the assets of which are vested in independent trustees for the benefit of members and their dependants. The contributions for the year totalling €52,617 (2007: €45,168) are included within operating expenditure. At 30 June 2008 €8,983 (2007: €8,555) was prepaid within debtors in relation to this scheme.

5 Taxation

Under the provisions of the Taxes Consolidation Act, 1997 the company is exempt from Corporation Tax on its income.

Financial Statements

Notes (continued)

6 Tangible assets

	Motor vehicles €	Fixtures and fittings €	Computers €	Total €
<i>Cost:</i>				
At 1 July 2007	44,200	42,508	16,923	103,631
Additions	-	22,254	-	22,254
Disposals	-	5,174	-	5,174
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	44,200	69,936	16,923	131,059
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Depreciation:</i>				
At 1 July 2007	11,050	41,969	16,923	69,942
Charge for year	11,050	4,586	-	15,636
Disposals	-	5,174	-	5,174
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	22,100	51,729	16,923	90,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value:</i>				
At 30 June 2007	33,150	539	-	33,689
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	22,100	18,207	-	40,307
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Debtors and prepayments

	30 June 2008 €	30 June 2007 €
Debtors	1,046	7,316
Prepayments and accrued income	132,031	111,700
	<hr/>	<hr/>
	133,077	119,016
	<hr/> <hr/>	<hr/> <hr/>

Financial Statements

Notes (continued)

8	Creditors: amounts falling due within one year	30 June 2008	30 June 2007
		€	€
	Trade creditors	125	921
	Accrued expenses	22,557	9,557
	PAYE and Social Welfare insurance	48,428	44,543
		71,110	55,021
		71,110	55,021

9	Contingency reserve	30 June 2008	30 June 2007
		€	€
	At beginning of year	2,250,000	1,850,000
	Transfer from Income and Expenditure Account	-	400,000
		2,250,000	2,250,000
	At end of year	2,250,000	2,250,000

10	Income and Expenditure account	30 June 2008	30 June 2007
		€	€
	At beginning of year	63,305	62,672
	(Deficit)/surplus for financial year	(274,988)	400,633
	Transfer to contingency reserve	-	(400,000)
		(211,683)	63,305
	At end of year	(211,683)	63,305

11 Approval of financial statements

The Board of Directors approved these financial statements on 24 September 2008.

Appendix 1

Administrative Appendix

Relevant Companies

The Irish Takeover Panel, established pursuant to the Irish Takeover Panel Act, 1997 (the “Act”), is the body responsible for monitoring and supervising takeovers and other relevant transactions in relation to securities in relevant companies in Ireland. For the purposes of the Act a relevant company includes public limited companies or other bodies corporate incorporated in Ireland whose securities are currently being traded, or (if the subject of a takeover or other relevant proposal) were traded within the previous five years, on the Irish Stock Exchange, the London Stock Exchange, the New York Stock Exchange and Nasdaq but excluding those companies whose only securities authorised to be traded on one or more of those markets during the relevant period are debentures or bonds or other securities in the nature of debentures or bonds that do not confer voting rights in the company.

On 20 May 2006 the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”), which transposed the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids into Irish Law, came into effect. Under the Regulations those companies a bid in respect of which the Panel has jurisdiction by virtue of Regulation 6 to supervise, are deemed to be relevant companies under the Act.

The Rules

In addition to its supervisory function, the Panel is also entrusted under the Act with a rulemaking function. The Irish Takeover Panel Act, 1997, Takeover Rules, 2007 and the Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2007 came into effect on 19 December 2007. In addition, the Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2008 came into effect on 15 September 2008. These Rules have been made principally to ensure that takeovers (including takeover bids) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. The Rules also provide an orderly framework within which takeovers are conducted. They are not concerned with the financial or commercial advantages or disadvantages of a takeover, which are matters for the companies concerned and their shareholders. Neither are the Rules concerned with issues such as competition and merger policies, which are regulated under different legislation.

Members of the Panel and Board of Directors

The Members of the Panel are representative of bodies professionally involved in the securities markets and in the field of takeovers. They comprise the following five bodies, or in certain cases, their corporate or personal nominee:

Consultative Committee of Accountancy Bodies – Ireland

Law Society of Ireland

Irish Association of Investment Managers

Irish Bankers Federation

Irish Stock Exchange Limited

If deemed necessary, the Minister may alter this list by introducing appropriate regulations. Each of the aforementioned bodies has appointed a director to the Board of the Panel. In addition, the Governor of the Central Bank of Ireland has appointed the Chairperson and Deputy Chairperson to the Board.

The Act also provides for the Governor of the Central Bank and the five nominating bodies to designate one or more alternates for each director appointed by them, and four of the nominating bodies have done so. This facilitates the functioning of the Panel when directors are unavailable or are faced with a potential conflict of interest in relation to a case under consideration. Finally, there is also a provision for up to three additional directors to be co-opted by the existing directors. The Board is often required to meet at short notice in order to consider issues requiring urgent decisions.

The Executive

The day-to-day work of the Panel is carried out by the Executive through the office of the Director General. The Executive deals with the general administration of the Panel and the Rules, including consideration of queries and submissions which do not require reference to the Board. The Executive is available for consultation and to give guidance before and during takeover transactions. The Executive is also responsible for monitoring dealings in the shares of relevant companies to ensure compliance with the Rules.

Enforcement of the Rules

The Act gives the Panel statutory authority to make rulings as to whether any activity or proposed activity complies with the General Principles and the Rules. The Panel is also empowered to give directions to any party to a takeover to do or refrain from doing anything

specified by the Panel. The Panel may also investigate a person's conduct where it reasonably believes that a contravention of the General Principles or Rules has occurred or may occur. Where appropriate, the Panel may advise, admonish or censure such a person in relation to his or her conduct. In order to carry out its functions, the Panel may conduct a hearing in relation to the matter concerned. For the purposes of such a hearing, the Panel has the same powers, rights and privileges as are vested in the High Court in relation to compelling attendance, examining on oath and compelling the production of documents. The Act also affords witnesses before the Panel the same immunities and privileges as witnesses before the High Court.

Access to Reports

Where it deems it necessary, the Panel (under section 21 of the Act) may require a Court-appointed inspector to furnish it with a copy of a report provided to the Court or the Minister under the Companies Act, 1990. Similarly, the Panel may require a recognised Stock Exchange to furnish it with a copy of any report given to the Director of Public Prosecutions in respect of an insider dealing offence. To date, no such requests have been made.

Charges

In order to defray the expenses incurred in the performance of its functions under the Act, the Panel is authorised to impose charges on relevant companies, on offerors who are not relevant companies, on dealings in the securities of relevant companies and on documentation submitted to the Panel in accordance with the Rules or in relation to Panel proceedings. The consent of the Minister to the current level of charges, which are set out on pages 26 and 27 has been obtained.

Panel Charges

made under section 16 of the Act and effective from 1 July 2008.

1. *Annual charge payable by relevant companies*

Relevant companies pay an annual charge to the Panel based on Market Capitalisation as at 30 June in each year. The scale is as follows:

Market Capitalisation	Annual Charge
€ Million	€
over 1,250	18,750
625 - 1,250	12,500
125 - 625	6,250
62 - 125	5,000
31 - 62	3,750
12 - 31	2,500
Under 12	1,250

2. *Charge on transactions in securities of relevant companies*

Charges are made on contracts in respect of dealings in securities of relevant companies. This charge amounts to €1.25 on each contract note in respect of transactions valued at more than €12,500.

3. *Document charges - takeovers and other relevant transactions*

A document charge is made in respect of documents furnished to the Panel under the rules in connection with takeovers and other relevant transactions. The scale for these charges is:

Value of the Offer € Million	Charge €
Under 5	2,500
5 - 15	10,000
15 - 35	17,500
35 - 65	35,000
65 - 125	50,000
Over 125	62,500

The charge in respect of “whitewash” waiver applications is €2,500.

4. *Charge on offerors which are not relevant companies*

Where an offeror is not a relevant company, or a subsidiary of a relevant company, a charge is made additional to the document charge as set out above. This charge is made for an amount equal to the annual charge payable by a relevant company having a market capitalisation equal to that of the offeree at the offer price.

5. *Document charge - proceedings of the Panel*

The Panel is empowered to charge up to €900 per document in respect of documents furnished to the Panel by a person in relation to proceedings to the Panel.

Appendix 2

Takeovers supervised by Irish Takeover Panel

1 July 2007 to 30 June 2008

- | | |
|-------------------------------------|---|
| (i) Irish Continental Group plc | Recommended revised acquisition by Aella plc, a company ultimately owned by certain members of the management of Irish Continental Group plc, by means of a scheme of arrangement |
| (ii) Celtic Resources Holdings plc | Recommended revised cash offer by Centroferve Limited, a wholly-owned subsidiary of JSC Severstal |
| (iii) Alltracel Pharmaceuticals plc | Recommended acquisition by Castlerise Investments Limited, a wholly-owned subsidiary of HemCon Medical Technologies, Inc., by means of a scheme of arrangement |
| (iv) Horizon Technology Group plc | Recommended cash offer by Avnet (Holdings) Limited, a wholly-owned subsidiary of Avnet, Inc. |
| (v) AgCert International plc | Takeover of AgCert International plc following approval of a scheme of arrangement between the company and its creditors and members |
| (vi) IAWS Group plc | Recommended acquisition by ARYZTA AG by means of a scheme of arrangement |
| (vii) Origin Enterprises plc | Acquisition of statutory control by ARYZTA AG following its acquisition of IAWS Group plc |
| (viii) FBD Holdings plc | Acquisition of statutory control by Farmer Business Developments plc and certain persons presumed under the Takeover Rules to be acting in concert with it |

(ix) IONA Technologies plc

Recommended acquisition by SPK Acquisitions Limited, a wholly-owned subsidiary of Progress Software Corporation, by means of a scheme of arrangement

The following companies were in an offer period at 30 June 2008:

IAWS Group plc

Qualceram Shires plc

IONA Technologies plc

Appendix 3

During the course of the year the Panel exercised certain of its powers under the Act as follows:

Rulings

The Panel issued fifty-one rulings during the year the majority of which related to the takeovers of Celtic Resources Holdings plc, IONA Technologies plc, Irish Continental Group plc and Horizon Technology Group plc.

Waivers

Thirteen waivers were granted during the year. Six of the waivers were in respect of waivers of Rule 9 (mandatory offer and its terms) and Rule 37 (redemption or purchase by a company of its own securities). Three of the waivers were in respect of waivers of the takeover rules in relation to transactions by companies deemed to be relevant companies pursuant to section 2(b) of the Act. A further three waivers were in respect of waivers of Rule 4.4 (dealings in offeree securities by certain associates of the offeree) while the remaining waiver was in respect of a waiver of Rule 20.1 (equality of information to shareholders).

Derogations

The Panel granted five derogations during the year.

Directions

The Panel issued three directions during the year. Two of these were issued in connection with the takeover of Irish Continental Group plc while the remaining direction was issued in relation to the takeover of IONA Technologies plc.

Enquiries (section 9(5))

No enquiries were initiated by the Panel under section 9(5) of the Act.

Enquiries (section 10(1))

The Panel initiated one enquiry under section 10(1) of the Act. The enquiry was initiated in connection with the takeover of Irish Continental Group plc.

Censures (section 10(2))

The Panel administered one censure under section 10(2) of the Act. The censure was administered during the course of the takeover of Irish Continental Group plc.

