

IRISH TAKEOVER PANEL

Report for the year ended 30 June 2006

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

Irish Takeover Panel (Registration No. 265647), 7/8 Upper Mount Street, Dublin 2

Contents

	Page
Members of the Panel, Directors and Director General	3
Introduction	5
Chairperson's Statement	7
Director General's Report	8
Directors' Report	10
Statement of Directors' Responsibilities	12
Independent Auditor's Report	13
Financial Statements	15
Appendix 1 - Administrative Appendix	22
Appendix 2 - Takeovers supervised by Irish Takeover Panel, 1 July 2005 to 30 June 2006	28
Appendix 3 - Exercise of powers by Irish Takeover Panel	29

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	Daniel O’Keeffe, 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
	Richard Keatinge (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 (not being takeover bids as defined in the Regulations) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. In addition, the Panel is responsible for ensuring compliance with the General Principles set out in Regulation 7 when performing its functions under the Regulations and with the Rules applying pursuant to Regulation 11. Both sets of General Principles are designed to ensure fair and equal treatment of all shareholders.

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

Takeover activity during the year was at a low level with the Panel supervising three takeovers. Notwithstanding this the Panel was required to meet on twenty occasions to consider regulatory issues. The takeovers supervised were: Jurys Doyle Hotel Group plc, IWP International plc and FBD Holdings plc. Takeover activity has continued at a low level since the year end.

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, which transposed the Takeovers Directive into Irish Law, came into effect on 20 May 2006. The Panel is designated under those Regulations as the competent authority for the purposes of the Directive. Certain of the provisions in the Directive can be transposed into law at the discretion of the Member State. Under the Regulations the State has made Article 9 (frustrating action), which is arguably the cornerstone of the Directive, a mandatory provision (in line with Rule 21.1 of the Takeover Rules) whereas, the State has exercised its right under the Directive not to make Article 11 (break-through right) a mandatory provision. Furthermore, the Regulations do not allow companies to take advantage of the (so-called) reciprocity provisions in Article 12 (optional arrangements). The Panel agrees with the approach taken in relation to these issues. One of the most significant changes arising from the Regulations is the increase from 80% to 90% in the squeeze-out/sell-out threshold in the case of bids for companies which fall within the scope of the Regulations. The Panel Executive expended a considerable amount of time during the year on work preparatory to the implementation of the Directive. This has involved the Executive working closely with officials at the Department of Enterprise, Trade and Employment.

Following an extensive exercise the Panel during the year published new Rules applying specifically to takeovers effected by schemes of arrangement pursuant to section 201 of the Companies Act 1963.

I would like to welcome David Beattie and Richard Keatinge on their appointment as Directors of the Panel. David replaced Laurence K. Shields as the nominee of the Law Society of Ireland while Richard replaced Leonard Abrahamson as the nominee of the Irish Stock Exchange. In addition, Brian O'Connor's term of office expired on 31 May 2006. I would like to thank Brian, Laurence and Leonard for their considerable contribution and support over their respective terms as Directors of the Panel.

Daniel O'Keeffe

Chairperson

27 September 2006

Director General's Report

The number of takeovers supervised by the Panel during the year was at a low level. However, the Panel and the Executive spent a considerable amount of time during the year preparing for the implementation of the Takeovers Directive.

Takeovers Directive

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, which were made by the Minister for Enterprise, Trade and Employment for the purpose of transposing the Directive into Irish law, came into operation on 20 May 2006. Under the Regulations the Panel is designated as the competent authority for the purpose of Article 4(1) of the Directive. The Regulations apply, with amendments, the Takeover Rules 2001 to 2005 to bids for the securities of companies which are subject to the Regulations. The Regulations also apply the Irish Takeover Panel Act 1997 to those companies and such companies are deemed to be relevant companies under the Act.

The Regulations apply only to bids for securities traded on a regulated market. It should be noted that the Regulations do not apply to offers for securities traded on the IEX market of the Irish Stock Exchange and the AIM market of the London Stock Exchange. These companies continue to be regulated under the Act (in the case of Irish registered companies only). Furthermore, the Regulations do not apply to takeovers effected by schemes of arrangement pursuant to section 201 of the Companies Act 1963.

The Panel has sole jurisdiction to supervise a bid for the securities of a company falling within the scope of the Regulations if that company is Irish registered and its securities are traded on the Official List of the Irish Stock Exchange (regardless of whether its securities are traded on any other market). In all other cases where the Panel has jurisdiction to supervise a bid it will share jurisdiction with the competent authorities in other EU Member States. In such cases, the Regulations provide that the competent authority in the State of registration will deal with company law matters while the competent authority in the State in which the securities are listed will deal with the bid procedure issues.

The Regulations contain a new set of General Principles for the regulation of takeover bids. The General Principles in the Schedule to the Act will continue to apply to all non bid transactions. While the two sets of General Principles are broadly similar (with the exception of the Substantial Acquisition Rules (the "SARs") General Principle) there are some differences at the detail level. The Panel understands that it is the intention of the Minister

for Enterprise, Trade and Employment to amend the General Principles in the Act in the Investment Funds, Companies and Miscellaneous Provisions Bill 2006 so as to align them with the General Principles in the Regulations. It is intended however that the SARs General Principle will be retained.

The Regulations introduced a new definition of “persons acting in concert” which is applicable to takeovers bids only. The Act definition continues to apply in respect of all other transactions. The Regulation definition refers to an agreement which is “aimed at” acquiring control or frustrating the successful outcome of a bid. This is quite different to the comparable Act definition which refers to parties who, pursuant to an agreement or understanding, actively cooperate in the acquisition of securities in the relevant company. The introduction in the Regulation definition of the concept of parties acting in concert to frustrate a bid is also new. It should be noted that the Regulation definition of acting in concert does not apply to transactions involving the consolidation of control.

In July 2006 the Panel published a Rule book revised to reflect in a non statutory manner the Rule amendments which came into effect on 20 May 2006. The Rule book as reissued now contains a number of footnotes, asterisks and italics which are key to the application of the Rules. The majority of the footnotes highlight the application or non application, as the case may be, of certain Rules or parts of Rules to specific transactions and companies. The asterisks, as explained in the Introduction to the Notes to the Rules, highlight those Rules or parts of Rules which are not applicable to takeovers (other than takeover bids) or other relevant transactions involving those companies which fall within the scope of the Regulations and which are (otherwise than by virtue of the Regulations) also relevant companies under the Act. In the case of such transactions reference should be made to the corresponding applicable Rules (if any) of the statutory Takeover Rules 2001 to 2005. The italics highlight those Rules or parts of Rules which apply to takeover bids only.

Financial statements

In the year to 30 June 2006 operating income increased by 24.8% to €1,096,276. The increase was primarily as a result of a significant increase in income from contract note levies. Expenditure for the year increased by approximately 7.8% to €970,082. A substantial proportion of this increase was due to an increase in professional fees primarily associated with the publication of revised Rules pursuant to the implementation of the Takeovers Directive and the publication of new Rules for takeovers effected by schemes of arrangement.

Miceal Ryan

Director General

27 September 2006

Directors' Report

The directors present their report and audited financial statements for the year ended 30 June 2006.

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 2005. 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 (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 (not being takeover bids as defined in the Regulations) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. In addition the Panel is responsible for ensuring compliance with the General Principles set out in Regulation 7 when performing its functions under the Regulations and with the Rules applying pursuant to Regulation 11.

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 16. An amount of €147,696 (2005:Nil) was transferred from the Income and Expenditure Account to the Contingency reserve.

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 7/8 Upper Mount Street, Dublin 2.

Post balance sheet events

There were no material events since the end of the financial year.

Auditor

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

On behalf of the Board

D. O’Keeffe
Chairperson

W. M. McCann
Deputy Chairperson

27 September 2006

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 each of the 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; and
- 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 2005. 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 2005.

On behalf of the Board

D. O'Keeffe
Chairperson

W. M. McCann
Deputy Chairperson

27 September 2006

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 2006 which comprises the profit and loss 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 12.

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 2005. We also report to you whether, in our opinion: proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of 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 2006 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2005.

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

27 September 2006

Financial Statements

Statement of accounting policies

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 2006

		Year ended 30 June 2006	Year ended 30 June 2005
	<i>Notes</i>	€	€
Operating income	<i>1</i>	1,096,276	878,186
Operating expenditure	<i>2</i>	(970,082)	(899,879)
		<hr/>	<hr/>
Operating surplus/(deficit)		126,194	(21,693)
Interest income		42,115	33,602
		<hr/>	<hr/>
Surplus for the financial year	<i>10</i>	168,309	11,909
		<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

D. O’Keeffe
Chairperson

W. M. McCann
Deputy Chairperson

Financial Statements

Balance Sheet

as at 30 June 2006

		30 June 2006	30 June 2005
	Notes	€	€
Fixed assets			
Tangible fixed assets	6	-	11,111
		<hr/>	<hr/>
Current assets			
Debtors and prepayments	7	203,139	160,210
Cash at bank		1,753,179	1,593,268
		<hr/>	<hr/>
		1,956,318	1,753,478
Current liabilities			
Creditors: amounts falling due within one year	8	(43,646)	(20,226)
		<hr/>	<hr/>
Net current assets		1,912,672	1,733,252
		<hr/>	<hr/>
Total assets less current liabilities		1,912,672	1,744,363
		<hr/> <hr/>	<hr/> <hr/>
Accumulated surplus and reserve			
Contingency reserve	9	1,850,000	1,702,304
Income and Expenditure account	10	62,672	42,059
		<hr/>	<hr/>
		1,912,672	1,744,363
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the Board

D. O’Keeffe
Chairperson

W. M. McCann
Deputy Chairperson

Financial Statements

Notes

1 Operating income	Year ended 30 June 2006	Year ended 30 June 2005
	€	€
Relevant company annual charges	548,017	481,684
Document charges	92,500	139,994
Contract note levies	454,127	254,897
Other	1,632	1,611
	1,096,276	878,186
	1,096,276	878,186

2 Operating expenditure	Year ended 30 June 2006	Year ended 30 June 2005
	€	€
Operating expenditure includes:		
Depreciation	11,111	12,713
Auditor's remuneration	6,050	6,050
	17,161	18,763
	17,161	18,763

3 Employees

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

Number:	Year ended 30 June 2006	Year ended 30 June 2005
	Number	Number
Administration	5	5
Directors	8	8
	13	13
	13	13

Financial Statements

Notes (continued)

3 Employees (continued)

Costs:	Year ended	Year ended
	30 June 2006	30 June 2005
	€	€
Salaries	283,262	272,171
Directors' remuneration	237,769	224,622
PRSI costs	27,685	26,115
Pension costs (note 4)	44,257	37,359
	<u>592,973</u>	<u>560,267</u>

4 Pension costs	Year ended	Year ended
	30 June 2006	30 June 2005
	€	€
Pension charge	44,257	37,359
	<u>44,257</u>	<u>37,359</u>

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 €44,257 (2005: €37,359) are included within operating expenditure. At 30 June 2006 €3,507 (2005: €6,680) 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 fixed assets

	Motor vehicle €	Fixtures and fittings €	Computers €	Total €
<i>Cost:</i>				
At 30 June 2005 and 2006	44,441	41,834	16,923	103,198
<i>Depreciation:</i>				
At 1 July 2005	33,330	41,834	16,923	92,087
Charge for year	11,111	-	-	11,111
At 30 June 2006	44,441	41,834	16,923	103,198
<i>Net book value:</i>				
At 30 June 2005	11,111	-	-	11,111
At 30 June 2006	-	-	-	-

	30 June 2006 €	30 June 2005 €
7 Debtors and prepayments		
Debtors	2,904	-
Prepayments and accrued income	200,235	160,210
	203,139	160,210

Financial Statements

Notes (continued)

		As at 30 June 2006	As at 30 June 2005
		€	€
8	Creditors: amounts falling due within one year		
	Trade creditors	644	1,037
	Accrued expenses	43,002	19,189
		43,646	20,226
		43,646	20,226
9	Contingency reserve		
	At beginning of year	1,702,304	1,702,304
	Transfer from Income and Expenditure Account	147,696	-
		1,850,000	1,702,304
		1,850,000	1,702,304
10	Income and Expenditure account		
	At beginning of year	42,059	30,150
	Surplus for financial year	168,309	11,909
	Transfer to contingency reserve	(147,696)	-
		62,672	42,059
		62,672	42,059

11 Approval of financial statements

The Board of Directors approved these financial statements on 27 September 2006.

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. A relevant company is defined in the Act to include 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 a market regulated by a recognised stock exchange. In addition, the Minister, after consultation with the Panel, may prescribe any other public limited company as a relevant company in order to secure the protection of its investors. On 26 March 2001 the Irish Takeover Panel Act, 1997 (Relevant Company) Regulations, 2001 came into operation pursuant to section 2(c) of the Act. These Regulations extended the definition of “relevant company” in the Act to include companies incorporated in Ireland and trading on the London Stock Exchange, the New York Stock Exchange and Nasdaq. Section 75 of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, which came into effect on 30 June 2005, amends the definition of “relevant company” in the Act by excluding from the definition companies the only securities of which are or have been within the relevant period authorised to be traded by a recognised Stock Exchange 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 following are the Rules, made by the Panel, which are currently applicable:

Irish Takeover Panel Act, 1997, Takeover Rules, 2001;
Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2001;
Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2002;
Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2005;
Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2005;
Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2006; and
Irish Takeover Panel Act, 1997, Takeover (Certain Relevant Companies) Rules, 2006.

In addition to the above, certain Rules applied by the Regulations are also applicable in certain circumstances.

These Rules have been made principally to ensure that (i) takeovers (not being takeover bids) and other relevant transactions comply with the General Principles set out in the Schedule to the Act and (ii) takeover bids comply with the General Principles set out in the Regulations. 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 (the General Principles in the Act or, as applicable, the General Principles in the Regulations) 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 2006.

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 2005 to 30 June 2006

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|---------------------------------|---|
| (i) Jurys Doyle Hotel Group plc | Recommended mandatory cash offer by JDH Acquisitions plc, a company owned by a consortium of investors. |
| (ii) IWP International plc | Acquisition of statutory control by secured creditors effected by a financial restructuring. |
| (iii) 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. |

Note:

The following companies were in an offer period at 30 June 2006 but no offers had been made for those companies at that date:

Ely Property Group plc
South Wharf 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 forty three rulings during the year of which thirty related to the takeover of Jurys Doyle Hotel Group plc, two related to the takeover of IWP International plc and two were issued in connection with the proposed takeover of South Wharf plc.

Waivers

Ten waivers were granted during the year. Eight 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). One of the waivers was in respect of a waiver of the Takeover Rules in relation to a transaction by a company deemed to be a relevant company pursuant to section 2(b) of the Act. The remaining waiver was in respect of a waiver of Rule 4.4 (dealings in offeree securities by certain associates of the offeree).

Derogations

The Panel granted two derogations during the year both of which related to the takeover of Jurys Doyle Hotel Group plc.

Directions

Two directions were issued by the Panel during the year in connection with the takeover of Jurys Doyle Hotel Group plc.

Enquiries (section 9(5))

There were three enquiries initiated by the Panel under section 9(5) of the Act during the year.

