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London Stock Exchange plc has not itself examined or approved the contents of this document.

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, the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

Your attention is also drawn to the discussion of risks and other factors which should be considered in connection with an investment in the Ordinary Shares, set out in "Risk Factors" in Part II of this document.

ANT PLC

(incorporated and registered in England and Wales with company number 5372859)

Admission to trading on AIM

and

Placing of 12,605,158 Ordinary Shares at 126 pence per share

by

KBC PEEL HUNT LTD

Nominated Adviser and Broker

The Placing is conditional, *inter alia*, on Admission taking place on or before 16 March 2005 (or such later date as the Company and KBC Peel Hunt may agree, being not later than 30 March 2005). The Placing Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the Ordinary Shares and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

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DIRECTORS AND ADVISERS

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KEY INFORMATION

This information is derived from, and should be read in conjunction with, the full text of this document.

- ANT produces a range of software products, including TV browsers, which are primarily aimed at the IPTV market.
- The Directors believe that most significant commercial IPTV deployments in the world to date utilise ANT's browser technology, in many cases to the exclusion of any other browser. These deployments include roll-outs by France Telecom, SaskTel (Canada), Chunghwa Telecom (Taiwan) and Softbank (Japan). The Directors believe that ANT's browsers have been shipped in more IPTV set top boxes ("STBs") than any other TV browser.
- Independent research indicates that the IPTV market will grow significantly over the next few years with the annual number of units shipped globally forecast to increase from 2,000,000 in the year ended 31 December 2004 to 26,000,000 in the year ending 31 December 2008.
- ANT's TV browsers enable the receipt, presentation and management of television and related media by the consumer and are believed by the Directors to be fundamental to the successful delivery of interactive TV media by operators to their target consumers. ANT's software is designed to be embedded within STBs, televisions and other media related consumer electronic devices.
- ANT has developed two TV browser products: Fresco and Galio. In addition, the Group has developed a digital media manager, PurePlay.
- In excess of 2,000,000 units containing Fresco have been deployed by ANT's customers since the beginning of 1998, of which 700,000 were shipped in the 2004 calendar year.
- ANT's next generation browser, Galio, was launched in December 2004 and is currently in testing. Since launch Galio has been licensed to eleven STB manufacturers. The Directors expect that each of these licensees will start selling products containing Galio in the second half of 2005. Galio has also been licensed to Texas Instruments Inc., for use with its new range of microprocessors aimed at the STB, TV and digital camera markets.
- In the current financial year, the Directors are already aware of a number of IPTV network roll-outs where the operator plans to use Galio, including Chunghwa Telecom, France Telecom and Telecom Italia.
- ANT's technology has been developed for consumer and other low-resource devices and is designed to be integrated quickly onto any platform and operating system, ensuring low product development costs, fast time-to-market, testing convenience and control over branding and product differentiation.
- In the Directors' opinion, the selection of a browser for roll-outs is biased towards companies with existing deployment experience. The deployment of ANT's browsers in more than 30 roll-outs to date provides the Group with a significant track record in this regard. In addition, its relationships with the leading middleware, STB and silicon providers, whose products are continually being selected by operators, provide ANT with a natural introduction into new roll-outs.

- In the short to medium term, ANT aims to be the IPTV application provider of choice for the world's major TV operators through which it aims to become a complete solution provider for all embedded STB application software. In the longer-term, the Directors aim to extend this software provision across a broader range of TV and media products. The Group aims to achieve these objectives by:
 - building on the close relationships that it has already established with IPTV stakeholders that have the most influence over the selection of a browser for a particular roll-out;
 - continuing to invest in developing the range and capability of its own software;
 - developing further partnerships with relevant third party software providers;
 - making selective acquisitions where the Directors believe that the intellectual property will be a complementary fit with ANT's existing products; and
 - working with TV interactive service partners to develop ANT compatible third party content such as betting services, chat, gaming and interactive advertising.
- ANT generates its revenues from three primary sources; access fees, royalties and professional service income. As the IPTV market becomes more mature, royalty income is expected to become an increasingly significant contributor to Group revenue.
- Group revenues increased by 29.0 per cent. to £2.22 million in the year to 31 December 2004 from £1.72 million in the year to 31 December 2003.
- Following the strategic relationship established with Alcatel in November 2004, the Directors are encouraged by ANT's engagement in a number of OMC licence and integration projects with STB manufacturers and are confident of the broad adoption of ANT's TV browsers in future Alcatel-based roll-outs.
- The Placing is intended to raise £10.2 million for the Company after expenses (excluding applicable VAT). Of the net Placing proceeds, approximately £1.0 million will be used for working capital for continued product development and to provide the additional working capital likely to be required as the business grows. The balance of the proceeds will be retained as a financial reserve to strengthen the Group's balance sheet, which the Directors believe will assist the Company in enhancing its financial credibility with potential customers, partners and other stakeholders in the IPTV value chain.

PLACING STATISTICS

Placing Price	126 pence
Number of new Ordinary Shares to be placed on behalf of the Company	8,880,158
Number of existing Ordinary Shares to be placed on behalf of existing Shareholders	3,725,000
Market capitalisation at the Placing Price	£30.6 million
Number of Ordinary Shares in issue immediately following Admission	24,286,367
Percentage of enlarged issued share capital of the Company subject to the Placing	52.0 per cent.
Gross proceeds of the Placing available to the Company	£11.2 million
Net proceeds of the Placing available to the Company (exclusive of applicable VAT)	£10.2 million

EXPECTED TIMETABLE

Admission and dealings in the Ordinary Shares to commence on AIM	16 March 2005
CREST accounts credited	16 March 2005
Despatch of definitive share certificates (where applicable) by	30 March 2005

PART I

INFORMATION ON THE GROUP

1. Introduction

ANT is a specialist provider of browser software for the IPTV market. The Directors believe that most significant commercial IPTV deployments in the world today utilise ANT's technology, in many cases to the exclusion of any other TV browser. These deployments include roll-outs by France Telecom, SaskTel (Canada), Chunghwa Telecom (Taiwan) and Softbank (Japan).

ANT's TV browser typically resides within an STB and controls the presentation of all TV programme and interactive services accurately and reliably, as well as collecting and interpreting customer commands. The Directors believe that a consistent and reliable user interface, such as ANT provides, is a critical determinant of the quality of the consumer's TV experience and therefore of significant importance to the TV operators. As such, the Directors consider ANT's software to be fundamental to the successful delivery of interactive TV media by operators to their target consumers.

ANT's Fresco and Galio browsers are aimed at the IPTV and digital TV markets and are designed to be embedded within STBs, televisions and other media related consumer electronics devices. Primary STB customers include Amino, Pace, Sagem, Samsung and Thomson which together accounted for 48 per cent. of the Group's revenue in the year ended 31 December 2004.

Having been included in more than 30 roll-outs to date, the Directors believe that ANT's browser software has been shipped in more IPTV STBs than any other TV browser. The Directors are aware of a number of IPTV network roll-outs in 2005 where the STB manufacturer will be utilising the Group's next generation browser software, Galio. These include Chunghwa Telecom, France Telecom and Telecom Italia.

ANT has also developed a digital media management browser called PurePlay, which enables consumers to view, manage and share their personal media, including photographs, videos and music. PurePlay is designed to be incorporated into consumer electronic devices such as TVs, DVD players and multi media handhelds.

ANT's technology is developed for consumer and other low-resource devices and is designed to be integrated quickly onto any platform and operating system, ensuring low product development costs, fast time-to-market, testing convenience and control over branding and product differentiation.

ANT Software Limited was formed in 1993, developing browser and email products for network computers and limited-resource desktop machines. Since 1999, ANT has primarily addressed the interactive TV and consumer electronics markets. ANT's primary sources of revenue are access fees, royalties and service income.

In the short to medium term, ANT aims to be the IPTV application provider of choice for the world's major TV operators through which it aims to become a complete solution provider for all embedded STB application software. In the longer-term, the Directors aim to extend this software provision across a broader range of TV and media products.

2. IPTV and browser overview

IPTV overview

IPTV is the mechanism for delivering high quality interactive digital television over broadband infrastructure and other high bandwidth networks operated by telecommunications and ISP companies. Not being constrained by traditional broadcast bandwidth limitations, these networks enable the delivery through IPTV of what customers want to watch, when they want to watch it.

Examples of services developed using IPTV technology include video-on-demand, TV games, broadcast support information services (competition voting, weather, news and price tickers), chat services and gambling.

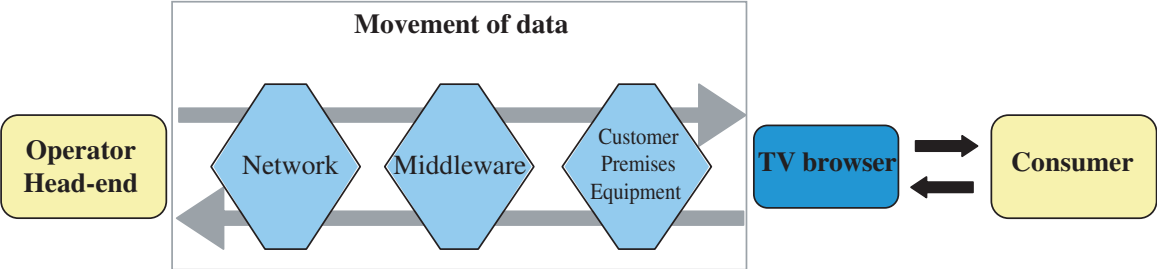
After many successful trials by telecommunications companies (“telcos”) in countries such as Canada, Taiwan and Japan, IPTV technology has now become broadly accepted as a delivery mechanism and is being rolled out by telcos in many countries around the world. Leading these roll outs are France Telecom, SaskTel (Canada), Chunghwa Telecom (Taiwan) and Softbank (Japan), which are currently deploying many thousands of units.

Independent research indicates that the IPTV market will grow significantly over the next few years, with the global number of customers forecast to increase from 2,000,000 in 2004 to 26,000,000 in 2008.

In addition to telco IPTV roll-outs, IP and browser technologies are starting to be used by cable, satellite and terrestrial TV providers to enrich their interactive TV offerings.

The telephony networks in most developed countries have been upgraded to carry broadband data traffic and are already capable of IPTV delivery. In developing regions where there is no existing broadband network, such as China and India, telcos and Internet Service Providers are deploying IPTV capable networks from the outset. It is expected that these new regions are likely initially to see the most rapid growth in IPTV as operators seek an early return on their network investment.

The delivery of IPTV services relies on networks which broadly comprise four elements (Head-end, Network, Middleware and Customer Premises Equipment or STB).



Head-end; is where the applications and programme content are stored. Providers of Head-end systems include Alcatel, Bitband Inc., Kasenna Inc., n-Cube Corporation and SeaChange International Inc.

Network; is the transport mechanism that delivers TV programme and interactive services from the Head-end to the consumer. Telecommunications network equipment providers include Alcatel, Cisco Systems Inc., Lucent Technologies Inc., Nortel Networks Limited and Siemens AG.

Middleware; is the software that controls the TV programme and interactive service delivery from the Head-end to the customer over the Network. This includes the management of customer access to TV as well as services and billing. Providers of Middleware include Alcatel, Minerva Networks Inc., Myrio Corporation and Orca Interactive Limited.

Customer Premises Equipment; resides within the consumer’s own home and is normally an STB which connects to the television. The STB presents the TV programme and interactive services to the customer. IPTV STB providers include Amino, Coship, Pace, Sagem, Samsung and Thomson.

Browser overview

Browser technology is used within IPTV, as well as many other digital TV deployments. In the IPTV market, operators transmit television to the consumer through a combination of digital video or programme streams (often in MPEG or Windows Media format) and digital interactive service streams (in HTML and JavaScript format). This interactive service, interpreted and controlled through a browser, enables the consumer to control the STB and programme streams and presents the visual layout and other elements of the TV programmes and services as well as responding to the consumer’s interaction with them.

The browser resides within the STB and controls the presentation of all TV programme and interactive services as well as collecting and interpreting consumer commands. The Directors believe that the browser is an essential component for the successful delivery of an interactive TV service.

The Directors believe that a browser which supports an accurate, consistent and reliable user interface is a critical determinant of the quality of the consumer's TV experience and is therefore of significant importance to the TV operators. The Directors believe that the operators' need for TV content to be delivered in this predictable manner is the main reason that a single browser product is typically selected for installation in all STBs for a particular roll-out, whereas usual practice is to multi-source all critical cost sensitive components, including the STB. It is now normal for a TV operator, through the support of middleware and STB providers, to develop and test their services against a single TV browser product.

Once a particular browser is selected by an operator, their TV content and services are designed around that specific product, thereby increasing their reliance on that browser. Changing the TV browser would result in an operator having to redevelop and retest all its interactive TV services, which the Directors believe would be prohibitively expensive.

3. ANT products and services

ANT produces a range of software products, including a TV browser, which enable the receipt, presentation and management of television and related media by the consumer. Its software is designed to be embedded within STBs, TVs and other media related consumer electronic devices. The Directors consider ANT's software to be fundamental to the successful delivery of interactive TV media by operators to their target consumers. ANT also provides a range of related services including engineering, customer support and certification.

ANT's solutions integrate its own proprietary software and services with software from its selected partners, including Alcatel client middleware, Macromedia Flash and font management technology from BitStream Inc. and Monotype Imaging Inc.

TV Browsers

ANT's TV browsers perform a number of highly complex tasks simultaneously and continuously; sizing and positioning video on screen, presenting additional graphic information, in some cases having merged this material with the underlying video, and responding to all consumer commands at the same time. ANT's software must also transmit many consumer commands back to the operator and network servers from where additional instructions may be received. These processes are managed by ANT's products in such a way as to enable the consumer to be unaware of the level of software activity but to receive the responsiveness and reliability expected of a consumer electronics device.

The Directors believe that most significant commercial IPTV deployments in the world to date utilise ANT's browser technology, in many cases to the exclusion of any other browser. In addition, ANT's browser is also starting to be used by various cable and terrestrial TV operators.

The Directors believe that ANT's browsers have been shipped in more IPTV STBs than any other TV browser. This penetration of the market has had, among other things, the following benefits for the Group:

- ANT now supplies browser technology to all of the major IPTV STB providers including Amino, Coship, Pace, Sagem, Samsung and Thomson as well as many of the new entrant and niche STB providers;
- many of the operators' interactive TV content and services have been developed and tested with ANT's TV browser; and
- the Directors believe that ANT's browser technology is the most widely integrated with leading middleware solutions, being the default browser for use with Alcatel, Minerva Networks Inc. and Orca Interactive Limited middlewares.

ANT has developed two TV browser products; Fresco and Galio. Further details on each of these are set out below:

Fresco

Targeted at the digital TV market, Fresco is ANT's most widely deployed TV browser and is marketed in two versions:

- Fresco, targeted primarily at the existing IPTV market; and
- Fresco Lite, targeted primarily at other digital TV markets, such as cable and terrestrial.

Fresco provides a robust feature set supporting a wide range of applications currently offered to consumers by TV operators, including: user interface controls, specialist e-commerce services, internet browsing, audio and picture browsing, chat and email, interactive TV services, games and competitions, news and information. ANT has continued to develop Fresco since it was first launched in 1995. Fresco Lite is a feature reduced version of Fresco.

In excess of 2,000,000 units containing Fresco or Fresco Lite have been deployed by ANT's customers since the beginning of 1998, of which 700,000 were shipped in the 2004 calendar year. Fresco has been selected as the standard browser for use in most of the world's significant commercial IPTV roll-outs including France Telecom, Polsat, BoxerTV, SaskTel, Chunghwa Telecom and Softbank. The Directors believe that Fresco's installed base in the IPTV market is the largest in the industry.

Galio

Launched in December 2004 and currently in testing, the Directors believe that Galio is the most advanced browser to date, delivering next generation user interface applications, including dynamic, animated and blended information overlays suitable for a range of TV programmes and interactive services. Galio is suitable for use on both current and future STBs, personal video recorders and TV products and was developed to take advantage of the latest W3C Internet standards with increased power and capabilities enabling the move to fully dynamic content. The use of the new standards allows for increased functionality, but also reduces server load and bandwidth requirements. These characteristics provide the following benefits:

- TV operators are able to develop more visually sophisticated, compelling and valuable services; and
- OEMs can develop higher specification TV products without increasing costs.

Since launch, Galio has been licensed to eleven STB manufacturers. The Directors expect that each of these licensees will start selling products containing Galio in the second half of 2005. In addition, Texas Instruments Inc. has included Galio with a new range of microprocessors aimed at the STB, TV and digital camera markets.

Content and services developed around the Fresco browser will be broadly compatible for use with the Galio browser. ANT is now working with its partners and customers to enable them to take full advantage of the additional capabilities of Galio.

Third party software

Alcatel

In November 2004, ANT and Alcatel established a strategic relationship in relation to Alcatel's Open Media Development programme whereby ANT agreed to undertake integration, certification and resale of Alcatel's STB software, OMC.

To ensure the reliable delivery of TV programmes and interactive services from the TV operator to the STB, Alcatel's head-end middleware makes critical assumptions about the target STB, including the existence of an ANT browser and other compatible client software components. The certification service, now undertaken by ANT, confirms the compatibility of STB products, thereby enabling TV operators using Alcatel middleware to select STBs for a roll-out from a certified list.

The Directors believe that, following the agreement with Alcatel in relation to its OMC software, STB manufacturers will adopt ANT's browser technology for future Alcatel-based roll-outs. With this in mind,

the Group has developed a bundled Fresco and OMC software product for STB manufacturers. ANT is currently working with six STB manufacturers to integrate this bundled software on to their platforms.

Macromedia

ANT licenses Macromedia Flash for sublicense into the TV market and has developed and packaged Flash in a form that operates well as an embedded application in resource constrained consumer electronics devices. The first licensees for this are certain STB manufacturers supplying Chunghwa Telecom, which has specified Flash as a requirement within STBs for its roll-out.

Font Management

ANT offers Bitstream Inc. and Monotype Imaging Inc. font manager and selected fonts as part of its IPTV STB solutions. The Directors believe that this technology is an important contributor to the consumers' perception of the visual quality of a user interface.

Digital Media Managers

Digital Media Management software enables consumers to view, manage and share their personal media including photographs, videos and music. Such software has traditionally been confined to either PCs or individual electronic devices.

PurePlay

PurePlay has been developed for consumer electronics media devices. It offers photo viewing, MP3 audio, video clip players, slideshow and media management components. User interface designs are available for a wide range of current and next generation TV standards.

PurePlay's modularity allows features to be included or excluded to suit the target device and to differentiate between products. The Directors believe that this provides consumer electronics device manufacturers with greater flexibility in relation to pricing, product enhancement and visual differentiation.

In January 2004, ANT launched its first silicon partner agreement with Philips Electronics UK Limited, following which PurePlay has been incorporated in a portable hand held media player reference design. In addition Texas Instruments Inc. will bundle PurePlay with a range of silicon products and Askey Computer Corporation, the Taiwanese STB manufacturer, has licensed PurePlay for incorporation within an IPTV STB design.

Services

In order to assist with adoption of its products and to support their roll-out, ANT offers its customers a range of services based on its expertise in porting, hardware and operating systems for IPTV and other digital TV. Providing these services has the additional benefit of both ensuring that ANT's product development programme is driven by clients' evolving requirements as well as strengthening client relationships.

Engineering Services

ANT offers a range of engineering services to assist customers and partners to design, integrate and deploy their ANT enabled products. These services are offered to ANT's licensees to improve the speed and efficiency of the porting process and to augment their internal resources with ANT's system expertise.

Customer Support

ANT provides support to its licensees covering all aspects of the porting process, whereby ANT's software is integrated into the licensees' platform. This is generally provided through a support and maintenance contract that is sold alongside the software licence.

Certification services

ANT offers middleware certification services for STB manufacturers wishing to confirm their products' compliance with Alcatel middleware systems and software.

4. ANT Technology

ANT's range of memory and processor efficient products and its third party applications are created within a three-layer software architecture. This architecture consists of:

User Interface Environment; graphical user interface libraries enable customised user interfaces to be rapidly created. By isolating the user interface from the platform, its development can proceed independently. The same user interface can also be applied to different models in a product line, even if they have different processors or operating systems.

Application Environment; this houses ANT's applications, such as Fresco and Galio, together with a number of third party applications such as Macromedia Flash. Applications within this layer are insulated from the characteristics of specific platforms, allowing them to be developed in a portable manner for deployment on a wide range of platform silicon and operating system architectures without threatening reliability.

ANT Portability Environment; this manages the interface with the hardware platform and operating system and provides a range of services to applications in the Application Environment. Sitting between the application and the platform specific code (such as the operating system, network and platform software drivers), any code changes made during the process of porting ANT's products to a new platform are made within the ANT Portability Environment layer, not within the applications. This enables the continuous improvement of the applications within the Application Environment without the need to vary them from one platform to another.

The Directors believe that the three-layer software architecture provides the following customer benefits:

- platform independence: any application residing within ANT's architecture is automatically processor and operating system independent;
- reduced product costs: the architecture itself has a small footprint, enabling it to make efficient use of central processing unit and memory resources thereby assisting the STB manufacturer to minimise production costs;
- speed to market and reduced development cost: the ANT Portability Environment simplifies the porting process. No changes to the application itself are required to move from one platform to another;
- testing convenience: the provision of ANT's browser products running on PCs is of great assistance in the process of developing and testing IPTV services because much of this testing can be carried out without the need to have an example STB available. Unlike a traditional PC port of an application, the use of ANT's three-layer architecture running on the PC means that the application is identical to that running on the STB; and
- control over product branding: a customised user interface can be rapidly constructed without having to modify the applications.

5. Intellectual property

The Directors estimate that more than 140 man years have been spent on developing the intellectual property within the Group's products. The Directors have taken, and continue to take, all appropriate measures to protect the Group's intellectual property through copyrights, trademarks and patents. Whilst the Group expects to protect and uphold the ownership of its intellectual property rights wherever relevant, ANT believes that its primary competitive advantage lies in the Group's ability to capitalise on its experience in developing browser technology for IPTV and other digital markets to meet the changing requirements of operators and other stakeholders in the IPTV value chain. The Directors therefore believe that the commercial viability of ANT's business is dependent primarily upon its technological expertise and the advantages delivered by its products rather than the protections afforded by copyrights, trademarks and patents.

6. Sales and marketing

Whilst the direct customers for ANT's browser products are typically STB manufacturers, the decision to incorporate ANT's TV browsers into an STB can often be made by other stakeholders within the IPTV value chain. In particular, the operator may designate a specific browser to be used in a given roll-out, although other important influencers include middleware vendors, interactive service developers, silicon providers and system integrators.

ANT's primary sales and marketing strategy is to develop close relationships with these key influencers to build up a lobby group to champion the use of ANT's products. The Directors believe that ANT has now developed relationships with the majority of the main IPTV system component providers. This marketing strategy targets IPTV roll-outs by existing operators on existing networks, as well as new roll-outs in areas with little or no existing infrastructure, where the provision of IPTV is part of a larger telecommunications roll-out. It is particularly important in new roll-out territories, where many technology decisions have yet to be made, that ANT's products are promoted by as many organisations as possible to maximise the likelihood of ANT software being recommended by the operator as the browser for their roll-out.

In the Directors' experience, the selection of a browser for roll-outs on both existing as well as new infrastructure is influenced by pre-existing solutions and is biased towards companies with existing deployment experience. The deployment of ANT browsers in more than 30 roll-outs to date provides the Group with a significant track record in this regard. In addition, the leading IPTV STB manufacturers and middleware providers, all of whom have already worked extensively with ANT, find themselves continually being selected and consequently provide ANT with a natural introduction into roll-outs.

ANT's formal sales channel is through a small business development team, as well as through a limited number of licensed resellers, including Alcatel, Analog Devices Inc. and Texas Instruments Inc. Further regional reselling capabilities are provided by leading font specialists, Monotype Imaging Inc. and Bitstream Inc. and by systems integrators, Softier Inc. and Micro Network Korea.

7. Strategy

In the short to medium term, ANT aims to be the IPTV application provider of choice for the world's major TV operators through which it aims to become a complete solution provider for all embedded STB application software. In the longer-term, the Directors aim to extend this software provision across a broader range of TV and media products.

ANT will build on the close relationships it has already established with those influencing browser selection, both for IPTV roll-outs on existing networks and for roll-outs where there is no existing infrastructure. ANT will also continue to invest in developing the capability and range of its own software.

The Directors intend to develop further partnerships with relevant third party software developers to broaden its range of application software. They will also consider appropriate acquisitions where they believe the intellectual property will be a complementary fit with ANT's existing products. Although the Directors have had some exploratory talks with various potential targets with suitable intellectual property assets, no active discussions are currently taking place.

ANT will continue to build relationships with a growing number of third party TV interactive service partners, supporting their development of ANT compatible third party licensed TV content such as betting services, chat, gaming and interactive advertising. In partnership with these organisations, the Group will offer TV operators ANT-enabled interactive services aimed at speeding up the development of high value TV. To further accelerate the TV operator's development of ANT enabled interactive services, the Group will produce a range of service development tools targeted at both the TV operators and at third party interactive service developers.

ANT intends to replicate its IPTV strategy in the retail market, where the offering of consumer electronic media devices not tied to a TV operator is starting to appear. These boxes are evolving towards the use of browser technology and as such, Galio is believed to be well suited to meeting their needs. In addition to its STB customers, ANT is starting to develop relationships with both the consumer electronics manufacturers and portal content providers.

8. Competition

In the digital TV market, ANT's direct competitors come in the form of other browser providers such as Access Co. Limited, Embedded Internet Solutions Inc., Espial Group Inc., Microsoft Corporation, The Mozilla Foundation and Opera Software ASA. In addition, those middleware providers with other browser alliances, such as Myrio Corporation, and those who provide a completely closed solution, such as Microsoft Corporation, could be viewed as being competitive, although they could potentially constitute future sales opportunities.

ANT competes against these companies on the basis of the reliability, efficiency, speed of performance and minimal system requirements of its browsers. In addition, the Directors believe that ANT's relationships with leading middleware, STB and silicon providers, together with the Group's unmatched deployment experience, strongly reinforce the Company's existing position within the market. The Directors believe that the introduction of the Galio browser, with its additional benefits and features, will further enhance its position.

The Directors consider that technological requirements and the key alliances and relationships necessary to achieve success will constitute significant barriers to market entrants, even for the most well-capitalised of companies.

In the digital media management market, PurePlay competes with other media management software providers including, but not limited to, Creative Technology Limited, Mediabolic Inc., Microsoft Corporation and Oregan Networks Limited, as well as internal software developments from consumer electronic manufacturers. Many of these companies are significantly better capitalised than ANT and have more established products.

ANT aims to compete against these companies on the basis of its design skills and has established relationships with Philips Electronics UK Limited and Texas Instruments Inc., to create a range of low cost, high performance and easy to use media manager reference designs. Within this market, ANT differentiates itself by focusing upon the development of turn-key solutions with the objective of redefining the media management market away from the traditional offerings of its competitors and towards a more consumer electronics customer base.

9. Revenue model

ANT generates its revenues from three primary sources; access fees, royalties and professional service income.

Access fees are derived from licence sales of ANT's browser software. A licence typically allows a customer to use ANT's software in the design of their product, such as an STB, consumer electronic device or a dedicated microprocessor reference design.

Royalty income is received in respect of every unit that the Group's customers ship containing ANT software. Royalties are also received in respect of units shipped containing certain third party software resold by ANT. Royalty income is typically calculated as a fixed price per unit with stepped changes dependent on the volume of sales.

Professional service income is derived from the provision of engineering, maintenance, training, and certification services.

10. Historical financial Information

	2002	2003	2004
	£'000s	£'000s	£'000s
Turnover	1,375	1,719	2,217
Gross profit	1,250	1,596	1,812
Administration costs	(2,967)	(2,296)	(2,679)
Operating loss	(1,717)	(700)	(867)
Retained loss	(1,664)	(1,020)	(845)

During the period under review, access income has primarily been derived from licences sold for Fresco and Fresco Lite. Royalty income during the year ended 31 December 2004 increased substantially, particularly in the final quarter, and significantly exceeded access revenue. This was due to both the success of ANT's customers in shipping products containing the Group's software as well as the negotiation of advanced royalty payments on expected future product shipments of STBs containing either Galio or Fresco software. Primary STB customers include Amino, Pace, Sagem, Samsung and Thomson which together accounted for 48 per cent. of the Group's revenue in the year ended 31 December 2004.

Cost of sales relate to royalties paid by ANT to third party software providers as well as other direct costs. An increased demand for ANT's professional services during the year ended 31 December 2004 has led to cost of sales representing a higher proportion of revenue than in the previous two years.

The Group's operating costs are predominantly staff-related, a reflection of the need continually to invest in research and development to ensure that the Group's software products are as advanced as possible. Whilst staff costs fell substantially during the year ended 31 December 2003 following staff reductions in the engineering department, they increased in the year ended 31 December 2004, reflecting the Group's investment in the development of Galio.

11. Current trading and prospects

Since 1 January 2005, ANT has continued to trade in line with expectations. The Directors have also been encouraged by STB manufacturers' interest in OMC licence and integration projects and the completion of a licence agreement with Texas Instruments for its Fresco, Galio and PurePlay browsers to be bundled onto certain of its microprocessors.

The Directors believe that the launch of ANT's next generation browser software, Galio, will help the Group to retain its leading position as a supplier of browser software to IPTV STBs. The Directors are encouraged by the initial sales of Galio licences and by the level of advanced royalties received to date. The Group has already commenced negotiations with its remaining Fresco customers about upgrading to Galio and expects the majority of these to have done so by September 2005.

The Directors believe each of the current 11 licensees of Galio will start selling products containing Galio in the second half of 2005 and are already aware of a number of IPTV network roll-outs in 2005 where the STB manufacturer will be utilising Galio. These include Chunghwa Telecom, France Telecom and Telecom Italia.

The Directors believe that Alcatel is one of the leading providers of IPTV middleware, including OMC software. In addition to the new revenue opportunity of reselling Alcatel's OMC software, the Directors are confident of the broad adoption of ANT's TV browser software in future Alcatel based TV operator roll-outs, thereby further strengthening the Group's market leading position.

The Group shortly intends to commence work on integrating and bundling the Galio browser with Alcatel's OMC software. This bundled product is expected to be the primary contributor to revenue growth during the year ended 31 December 2006.

During the year ended 31 December 2005, the Directors expect that sales of Galio licences, as well as initial royalty income from Galio and OMC, will combine with Fresco royalty revenue streams as the primary contributors to revenue growth. Thereafter, they expect that the forecast growth in the shipment of IPTV units will lead to significant increases in royalty income, which is anticipated to become the most significant contributor to Group revenue.

12. Directors and employees

Directors

Details of the Directors, their roles and their backgrounds are as follows:

Tony Caplin (Non-executive Chairman, aged 53)

Tony Caplin joined ANT as Chairman in October 2002.

Tony is currently a director of numerous public and private organisations and over the past 20 years has gained considerable experience in working with technology companies. His current board positions include non-executive chairman of Durlacher Corporation plc, senior non-executive director of Easynet Group plc and Northamber plc and non-executive director of Alternative Network Limited. He is also chairman of Ealing Hospital NHS Trust.

Simon Woodward (Chief Executive Officer, aged 49)

Simon Woodward joined ANT Software Limited in 1997 as chief executive and took responsibility for developing and executing its commercial strategy.

Simon has 24 years' experience in the IT industry covering a range of disciplines, including accounting, engineering and marketing. Simon trained as an accountant and in 1983 joined Acorn Computer Group in the UK, where he held various senior managerial positions in R&D, marketing and business development, including taking responsibility for negotiating strategic relationships with a variety of industry partners. Prior to joining ANT, Simon ran an information technology management consulting company.

Paul Dodd, ACA (Chief Financial Officer, aged 47)

Paul Dodd joined ANT as Chief Finance Officer in March 2003.

Paul has over 20 years' experience in finance and business strategy. Paul qualified as a chartered accountant before going on to take senior management positions with Schlumberger and The Plessey Company. Prior to joining ANT, he spent nine years as a partner with the Cambridge office of Ernst & Young LLP, the international accounting and advisory firm.

Stephen Reeder, (Executive Director, Sales and Marketing, aged 38)

Stephen joined ANT in February 2003 and was appointed Executive Director of Sales and Marketing in June 2003 to lead ANT's commercial strategy.

Stephen has 18 years' technical and commercial experience in the telecommunications and IT marketplace. Previously, Stephen headed up new product development for Concert's ASP hosting business, after joining from BT where he had held various commercial and technical roles in the Cable TV Services and Consumer Products Divisions. Prior to joining ANT, Stephen was an account director at Lucent Technologies in the areas of optical transport and voice over IP products.

David Kynaston (Non-Executive Director, aged 64)

David joined ANT as a non-executive Director in January 2005.

David has 35 years experience in the electronics industry including positions in scientific research through to operational and strategic management. He was Executive Senior Vice President at Solectron Corporation, a provider of electronics manufacturing and supply chain services, a position from which he retired in January 2002. Prior to joining Solectron, David was business unit director (Business Communications Systems) at Philips Electronics. David is also a non-executive director of TTP Communications Plc and Hansatech Limited.

Senior management

David Fell (Chief Technical Officer, aged 40)

David Fell founded ANT Software Limited in 1993 and led the team that designed and implemented ANT's core technology. He was appointed as CTO in September 2002.

David has over 20 years' experience in software design and development programming. Prior to founding ANT, he contracted for a number of high-technology and software development companies, working on such diverse applications as audio, compilers, SCSI and ethernet, hardware validation and object oriented office environments.

Charles Maltby (Engineering director, aged 40)

Charles joined ANT in 2005 as engineering director.

Charles has over 20 years' experience in engineering. After an initial career with Lucas Aerospace, Mr Maltby's has obtained engineering management experience in various market sectors including automotive, medical, consumer goods and printing services.

Employees

ANT currently employs 38 staff, including executive directors, of which 17 are involved in research and product development. With the exception of business development managers located in each of the United States (Boston) and Singapore, all employees are located at the Group's head office in Cambridge.

13. Directors' and employees' equity interests

Following the Placing, the Directors will be interested, in aggregate, in 60,000 Ordinary Shares. In addition, they will be interested in an aggregate of 3,048,545 options over Ordinary Shares (of which 435,313 are only exercisable in the event of Admission) representing in total approximately 12.6 per cent. of the Company's issued share capital on Admission. Further details of the interests of the Directors in Ordinary Shares and options over Ordinary Shares are set out in paragraph 6 of Part IV of this document.

On Admission, a total of 4,219,775 options over Ordinary Shares will have been granted. Of these options, 2,897,110 will be satisfied by Ordinary Shares that will be held by the EBT immediately following Admission. The remaining 1,322,665 options will be satisfied through the issue of new Ordinary Shares by the Company. Further details of the EBT are set out in paragraph 6 of Part IV of this document.

Under the terms of the ANT 2005 share option scheme, the Company has authority to grant options to subscribe up to a maximum of 10 per cent. of the Company's issued ordinary share capital in any rolling ten year period. Of this limit, options over 880,329 Ordinary Shares will have been granted at Admission under the Option Schemes which will represent approximately 3.6 per cent. of the Company's issued ordinary share capital on Admission. It is expected that ANT will continue to grow its team and that the granting of further options over Ordinary Shares will be an important aspect of the Group's ability to attract, retain and incentivise key staff. Further details of the Option Schemes are set out in paragraph 6 of Part IV of this document.

14. Lock in arrangements

The Directors have agreed that, except in certain strictly limited circumstances, they will not dispose of any interests in the Company's share capital, including any Ordinary Shares acquired through the exercise of options currently held by them, for a period of 12 months following Admission. Thereafter, they have undertaken only to sell shares through KBC Peel Hunt (for as long as they remain a Director, and during the two month period thereafter, and KBC Peel Hunt remains nominated adviser or broker to the Company).

Inflexion Partners Limited, Richard Farleigh, Foresight Technology VCT plc and TriVest VCT plc who together will have an interest in 5,695,431 Ordinary Shares, which will represent approximately 23.5 per cent. of the issued ordinary share capital of the Company on Admission, have undertaken not to dispose of any interests in the Company's share capital other than those Ordinary Shares subscribed in the Placing, for a period of 12 months following Admission, except in certain strictly limited circumstances. In any event, they have undertaken only to sell shares through KBC Peel Hunt (for as long as KBC Peel Hunt remains nominated adviser or broker to the Company).

15. Reasons for Placing and Admission

Of the Placing proceeds, approximately £1.0 million will be used for working capital to fund the continued product development and to provide the increased working capital likely to be required as the business grows. Approximately £1.0 million of the proceeds of the Placing will be used to meet the costs of Admission and the Placing. The balance of the proceeds, amounting to approximately £9.2 million, will be used as a financial reserve to strengthen the Group's balance sheet, which the Directors believe will assist the Group in enhancing its financial credibility with potential customers, partners and other stakeholders in the IPTV value chain.

The Directors believe that Admission will be beneficial to the Group for the following reasons:

- it will raise the Group's profile and enhance its status with potential customers, suppliers and partners;
- it will provide the Group with a more flexible capital structure and assist in raising, when necessary, additional finance to take advantage of new business opportunities, including acquisitions of complementary businesses, as and when they arise; and
- it will assist in attracting, retaining and incentivising key employees through the use of options that are based on publicly traded shares, which the Directors believe will be more attractive than options over unquoted shares.

16. Details of Placing and Admission

KBC Peel Hunt, as agent for the Company, has conditionally placed 8,880,158 new Ordinary Shares with investors at 126 pence per share. As agent for the Selling Shareholders, KBC Peel Hunt has also placed 3,725,000 existing Ordinary Shares with investors at 126 pence per share. The Placing Shares, in aggregate, will represent 52.0 per cent. of the enlarged issued share capital of the Company following Admission. The Placing, which is not underwritten, is conditional, *inter alia*, upon Admission occurring by 9.00 a.m. on 16 March 2005, or such later date (not later than 30 March 2005) as KBC Peel Hunt and the Company agree. The Placing Agreement contains provisions entitling KBC Peel Hunt to terminate the agreement at any time prior to Admission in certain circumstances.

The Placing is intended to raise £10.2 million for the Company, net of the expenses of the Placing and Admission, estimated in total at £1.0 million (excluding applicable VAT).

It is expected that the proceeds of the Placing will be received by the Company on or before 16 March 2005. It is expected that the appropriate stock accounts of placees will be credited with the Placing Shares comprising their Placing participation with effect from 16 March 2005. In the case of placees requesting Placing Shares in certificated form, it is expected that certificates in respect of the Placing Shares will be despatched by post, within 14 days of the date of Admission.

Pending despatch of share certificates or crediting of CREST accounts, the Company's registrar will certify any instruments of transfer against the register.

Further details of the Placing Agreements are set out in paragraph 10 of Part IV of this document.

17. Corporate governance

The Directors recognise the value and importance of high standards of corporate governance and confirm that, following Admission, they intend to comply, as far as practicable having regard to the size and stage of development of the Company, with the principles of the Combined Code on Corporate Governance and will take such measures as are necessary to ensure that the Company complies with the Combined Code on Corporate Governance. Accordingly, the Company has established an Audit Committee, a Remuneration Committee and a Nominations Committee, each with formal terms of reference.

The Audit Committee comprises both non-executive Directors and Simon Woodward and will be chaired by David Kynaston. It is responsible for ensuring that the financial performance of the Group is properly reported on and monitored and for reviewing the auditor's reports relating to accounts and internal control systems.

The Remuneration Committee comprises both non-executive Directors and Simon Woodward and will be chaired by David Kynaston. It is responsible for determining and agreeing with the Board the framework for the remuneration of the executive Directors, the Chairman of the Company (if an executive Director), the Company Secretary and such other members of the executive management as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. The Remuneration Committee will also liaise with the Nominations Committee to ensure that the remuneration of newly appointed executives is within the Company's overall policy.

The Nominations Committee comprises both non-executive Directors and Simon Woodward and will be chaired by David Kynaston. It is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

The Directors intend to appoint one further independent non-executive Director to the Board within the next 12 months. It is expected that this individual will be appointed to each of the Audit, Remuneration and Nomination Committees at which point Simon Woodward will resign from each of these committees.

The Company has adopted a share dealing code for Directors and relevant employees and will take proper steps to ensure compliance by the Directors and those employees.

18. Dividend Policy

The Company has no plans to pay a dividend to its shareholders in the foreseeable future because it is the Directors' intention that all surplus funds generated by the Group will be invested in the development of the business. However, as the Company matures, the Directors will consider adopting a dividend policy to distribute surplus cash to shareholders. In order to facilitate this, the Directors intend within the next two years to undertake a capital reorganisation whereby the Group applies to the court for part of the credit on the share premium account reserve of ANT Software Limited to be applied against that company's accumulated deficit on its profit and loss account reserve.

19. Further Information

The attention of potential investors is drawn to the additional information in Parts II to IV of this document.

PART II

RISK FACTORS

Prospective investors should be aware that an investment in the Company involves a high degree of risk and should only be made by those with the necessary expertise to appraise the investment. The following are considered by the Board to be the main risk factors which could have a material adverse effect on the business, financial condition, results or future operations of the Group. The following list is not intended to be exhaustive but it should be considered carefully by prospective investors in evaluating whether to make an investment in the Company in addition to the other information contained in this document.

Past losses and low revenues

The Group incurred a loss on ordinary activities before tax of £951,016 for the year ended 31 December 2004 (year ended 31 December 2003: £1,020,470 loss, year ended 31 December 2002: £2,001,995 loss). Revenues to date have been limited by the infancy of the IPTV market. Even if the IPTV market matures, there can be no certainty that ANT's revenues will increase sufficiently to prevent further losses. The Group's results may fluctuate as a result of a number of factors, many of which are beyond its control.

Dependence on partners and IPTV stakeholders

In the majority of IPTV roll-outs, it is the operator that decides on the selection and continued endorsement of a particular browser. In the event that operators retract an endorsement, endorse another browser or fail to endorse the Group's browser software at all, no STB manufacturers will integrate ANT's browser on their products for that particular roll-out which could have a material adverse effect on the Group.

The Group is also dependent on the maintenance of co-operative relationships with other stakeholders within the IPTV value chain. Without this lobby group to champion the Group's products, ANT is less likely to be selected for new roll-outs which may have a significant adverse effect on the Group's business, its financial condition and future results.

Market growth

The future of the Group is dependent upon the growth of the market for IPTV, a market currently in its infancy. The future size of this market, and other potential markets for the Group's products or technologies, is uncertain and depends upon a number of factors, many of which are beyond the control of the Group. The failure of the market for IPTV to develop as the Group expects would have a material adverse effect on its business, financial condition and results.

Dependence on retention and recruitment of key personnel

The success of ANT and its business strategy are dependent on its ability to retain and attract key management, engineering, sales, marketing and other operating personnel with the relevant expertise and experience. The loss of one or more key employees could have a material adverse effect on the Group. As ANT expands the commercialisation of its products, it will need to recruit and integrate additional personnel. In a period of high growth, the loss of the services of one or more members of the management group or the inability to recruit and effectively integrate additional personnel as needed could have an adverse effect on ANT's product development programmes and could adversely affect its business, financial condition and future results.

Management of growth

The Group's continued growth and geographic expansion may place strain on the current management and other resources of the Group. In order to manage the Group's growth effectively, the Group will continually need to review the adequacy of its current management, financial and operational systems.

Price erosion and gross margins

As volumes of products shipped increase, the unit prices obtained by ANT may fall. In order to offset any price erosion, ANT will either have to sell more products or develop new products that are able to command higher margins. An inability to do this may have an adverse effect on the Group's operating margins, its financial condition and future results.

Competition and technical advances

The market in which the Group is operating is characterised by rapidly evolving technology and industry standards and many of the companies competing in this sector have longer operating histories, substantially greater financial, technical and marketing resources, greater name recognition, significant customer bases and more established co-operative relationships. As the market grows, new alliances may emerge which could reduce the Group's sales, margins and market shares. Companies operating within this sector could develop superior or more cost-effective techniques which could render the Group's products uncompetitive, or develop products that achieve greater market acceptance than the Group's products. In the future, the Group may experience pricing pressures from competitors and customers which may adversely affect sales levels and/or gross margins.

The future success of the Group and the maintenance of its margins will therefore depend to a large extent upon the Group's ability to maintain its co-operative relationships, to develop and introduce new products and enhancements to existing products to meet and broaden consumer needs and to anticipate developments in the market and changes in industry standards. No assurance can be given that new products or product enhancements will satisfy customer requirements or can be developed in time to catch market opportunities, will achieve a sufficient level of acceptance in new and existing markets, or will successfully anticipate rapid technological changes or new industry standards.

Intellectual property and proprietary technology

The Group does not believe that it relies to a material extent on copyrights, trademarks and patents. However, its ability to protect its intellectual property for its products, to preserve its trade secrets and to operate without infringing the proprietary rights of third parties is an important aspect of ANT's competitive advantage.

No assurance can be given that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's copyrights or patents will be held valid if challenged or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Group.

As product sales increase the Group may be subject to claims in relation to infringement of trademarks, patents or other proprietary rights. Adverse judgements against the Group may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technologies. Any litigation brought against the Group, whether or not determined in the Group's favour or settled by ANT, could result in lengthy litigation which may be costly and time consuming. Even claims without merit could deter customers and have a detrimental effect on the Group's business. Adverse judgements against the Group may give rise to significant liabilities, a requirement to redesign its products or an inability to market or sell its products in particular territories.

Further there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Group's products or infringe any of the Group's copyrights.

The Group relies on copyright to protect, amongst other things, the software used in its products. These rights act only to prevent a competitor from copying software and not to prevent a competitor from independently developing works that perform the same functions. Similarly, the Group to some extent relies upon un-patented trade secrets to protect its proprietary technology. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent techniques or otherwise gain

access to the Group's un-patented proprietary technology or disclose such technology or that the Group can ultimately protect meaningful rights to such un-patented proprietary technology.

Exchange rate fluctuations

A majority of the Group's revenues and some of its cost of sales are denominated in US Dollars whilst substantially all of its operating costs are in Sterling. The Group is therefore exposed to foreign currency risk due to fluctuations in exchange rates. This exposes the Group to gains or losses with respect to exchange rate movement which may be material. Such movements may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results.

Volatility in share price and liquidity

The share prices of publicly traded companies that are perceived to be within the technology sector are often subject to significant fluctuations. The market price of the Ordinary Shares may therefore be volatile and may be influenced by factors which affect the quoted technology sector (or quoted companies) generally and not just factors specific to the Group.

Admission to AIM does not guarantee that there will be a liquid market for Ordinary Shares. An active public market for the Ordinary Shares may not develop or be sustained after Admission and the market price may fall below the price of which the Ordinary Shares are issued under the Placing.

PART III
ACCOUNTANTS' REPORTS

SECTION A: ANT PLC

The following is the text of a report received from the Company's reporting accountants:



Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

The Directors
ANT plc
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

The Directors
KBC Peel Hunt Ltd
111 Old Broad Street
London
EC2N 1PH

11 March 2005

Dear Sirs

INTRODUCTION

We report on the financial information set out below. This financial information has been prepared for inclusion in the AIM Admission Document dated 11 March 2005 of ANT plc.

Minmar (705) plc was incorporated on 22 February 2005 and registered as a public limited company in England and Wales. On 7 March 2005, Minmar (705) plc changed its name to ANT plc.

On 7 March 2005, ANT plc acquired the entire issued share capital of ANT Software Limited, satisfied by the issue of 12,629,097 ordinary shares of 5p each credited as fully paid.

Basis of preparation

The financial information set out in this report is based upon the audited non-statutory financial statements of ANT plc for the period commencing on incorporation and ending on 28 February 2005, to which no adjustments were considered necessary. The audited non-statutory financial statements of ANT plc were prepared for the purposes of the AIM Admission Document.

Responsibility

Such financial statements are the responsibility of the directors of ANT plc who approved their issue.

The directors of ANT plc are responsible for the contents of the AIM Admission Document dated 11 March 2005 in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 11 March 2005, a true and fair view of the state of affairs of ANT plc as at 28 February 2005.

Consent

We consent to the inclusion in the AIM Admission Document dated 11 March 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

BALANCE SHEET

	<i>Note</i>	<i>At 28 February 2005 £</i>
CURRENT ASSETS		
Cash at bank and in hand		—
NET ASSETS		—
CAPITAL AND RESERVES		
Called up share capital	2	—
EQUITY SHAREHOLDERS' FUNDS		—

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

2. SHARE CAPITAL

<i>Authorised</i>	<i>At</i> <i>28 February</i> <i>2005</i> <i>Number</i>	<i>At</i> <i>28 February</i> <i>2005</i> <i>£</i>
Ordinary shares of 5p each	40,000,000	2,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>	<i>At</i> <i>28 February</i> <i>2005</i> <i>Number</i>	<i>At</i> <i>28 February</i> <i>2005</i> <i>£</i>
Ordinary shares of 5p each	2	–
	<u> </u>	<u> </u>

On incorporation on 22 February 2005 as a public limited company, 2 ordinary shares were issued at 5p each.

On 7 March 2005, 12,629,097 ordinary shares were issued to the former shareholders of ANT Software Limited to acquire the entire issued share capital of ANT Software Limited.

On 7 March 2005, the ANT Employee Share Trust (EBT) was created. The sponsoring company was ANT plc. The EBT was set up to assist ANT plc to satisfy its obligations in respect of options issued to employees.

The obligations of ANT Software Limited in respect of the previously issued options have been transferred to ANT plc as part of its acquisition of ANT Software Limited on 7 March 2005. The EBT has subscribed £2,361,414 to purchase 2,777,110 ordinary shares in ANT plc at an average price of £0.85 per share. The market value of these ordinary shares at the Placing Price is £3,499,158.60. The EBT will continue to be used to hold the purchased shares to satisfy the obligations of ANT plc as employees exercise the options over the vesting period.

Following the above events, the authorised and issued share capital of ANT plc is summarised below:

<i>Authorised</i>	<i>At</i> <i>11 March</i> <i>2005</i> <i>Number</i>	<i>At</i> <i>11 March</i> <i>2005</i> <i>£</i>
Ordinary shares of 5p each	40,000,000	2,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>	<i>At</i> <i>11 March</i> <i>2005</i> <i>Number</i>	<i>At</i> <i>11 March</i> <i>2005</i> <i>£</i>
Ordinary shares of 5p each	15,406,209	770,310
	<u> </u>	<u> </u>

3. POST BALANCE SHEET EVENTS

ANT plc has agreed to provide financial support to ANT Software Limited.

The audit opinion dated 25 February 2005 on the statutory accounts of ANT Software Limited for the year ended 31 December 2004 referred to a fundamental uncertainty with regard to its ability to continue as a going concern. In addition to providing support to ANT Software Limited, ANT plc has entered into a placing agreement with KBC Peel Hunt and binding placing letters for shares totalling approximately £11.2 million have been received. The only condition precedent remaining outside the control of KBC Peel Hunt and ANT plc for the placement to proceed is the admission of ANT plc to AIM and the directors of both ANT plc and KBC Peel Hunt are not aware of any reason why this should not occur.

On 7 March 2005 options to acquire 213,303 ordinary 5p shares in ANT plc were granted to S A Woodward and options to acquire 222,010 ordinary 5p shares in ANT plc were granted to P M R Dodd. These options are contingent on ANT plc's admission to AIM and are exercisable from the date of admission with an exercise price of 126p.

Apart from the above transactions and the issue of shares described in Note 2, ANT plc has not entered into any other transactions since incorporation.

Yours faithfully

Ernst & Young LLP

SECTION B: ANT SOFTWARE LIMITED

The following is the text of a report received from the Company's reporting accountants:



Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

The Directors
ANT plc
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

The Directors
KBC Peel Hunt Ltd
111 Old Broad Street
London
EC2N 1PH

11 March 2005

Dear Sirs

INTRODUCTION

We report on the financial information set out below. This financial information has been prepared for inclusion in the AIM Admission Document dated 11 March 2005 of ANT plc.

Basis of preparation

On 7 March 2005, ANT Ltd changed its name to ANT Software Limited.

Prior to the year ended 31 December 2004, the directors of ANT Software Limited have exercised the right not to prepare consolidated statutory financial statements in accordance with the exemptions granted by section 248 of the Companies Act 1985.

Therefore, the financial information set out in this report is based upon the audited consolidated financial statements of ANT Software Limited and its subsidiary undertakings ANT Employee Benefits Limited and ANT Communications Inc. (together "the Group") for the year ended 31 December 2004, and on the audited financial statements of ANT Software Limited and ANT Employee Benefits Limited and the unaudited management accounts of ANT Communications Inc. for each of the two years ended 31 December 2003 and has been prepared on the basis set out in note 1, after making such adjustments as we considered necessary.

Responsibility

Such financial statements are the responsibility of the directors of ANT Software Limited, ANT Employee Benefits Limited and ANT Communications Inc. who approved their issue.

The directors of ANT plc are responsible for the contents of the AIM Admission Document dated 11 March 2005 in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 11 March 2005, a true and fair view of the state of affairs of the Group as at the dates stated and of its losses, cash flows and recognised gains and losses for the periods then ended.

Consent

We consent to the inclusion in the AIM Admission Document dated 11 March 2005 of this report and accept responsibility for that report for the purposes of paragraph 45(i)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

	<i>Notes</i>	<i>Year ended 31 December</i>		
		<i>2002</i>	<i>2003</i>	<i>2004</i>
		<i>£</i>	<i>£</i>	<i>£</i>
Turnover	2	1,375,102	1,719,113	2,216,729
Cost of sales		<u>(125,228)</u>	<u>(123,243)</u>	<u>(404,279)</u>
Gross profit		1,249,874	1,595,870	1,812,450
Administrative expenses		<u>(2,967,227)</u>	<u>(2,295,991)</u>	<u>(2,679,821)</u>
Operating loss		(1,717,353)	(700,121)	(867,371)
Interest receivable		22,061	4,246	20,001
Interest payable and similar charges	6	<u>(306,703)</u>	<u>(324,595)</u>	<u>(103,646)</u>
Loss on ordinary activities before taxation		(2,001,995)	(1,020,470)	(951,016)
Tax on loss on ordinary activities	7	<u>338,064</u>	<u>–</u>	<u>106,040</u>
Amounts transferred from reserves for the financial year	16	<u>(1,663,931)</u>	<u>(1,020,470)</u>	<u>(844,976)</u>
Loss per share – basic and diluted	8	(3.15)	(0.82)	(0.09)

Statement of total recognised gains and losses

There are no recognised losses other than the loss attributable to the shareholders of the Group of £844,976 (2003: £1,020,470; 2002: £1,663,931).

None of the Group's activities were acquired or discontinued during the period covered by this report.

CONSOLIDATED BALANCE SHEETS

		<i>At 31 December</i>		<i>At 31 December</i>		<i>At 31 December</i>	
	<i>Notes</i>	<i>2002</i>		<i>2003</i>		<i>2004</i>	
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
FIXED ASSETS							
Tangible assets	9		<u>174,916</u>		<u>91,149</u>		<u>91,851</u>
CURRENT ASSETS							
Debtors	10	829,723		581,924		888,653	
Cash at bank and in hand		<u>102,100</u>		<u>163,870</u>		<u>722,553</u>	
		931,823		745,794		1,611,206	
CREDITORS: amounts falling due within one year	11	<u>(699,977)</u>		<u>(482,535)</u>		<u>(1,034,867)</u>	
NET CURRENT ASSETS			<u>231,846</u>		<u>263,259</u>		<u>576,339</u>
TOTAL ASSETS LESS							
CURRENT LIABILITIES			406,762		354,408		668,190
CREDITORS: amounts falling due after more than one year							
Convertible loan stock	12	<u>(5,820,369)</u>		<u>(6,604,810)</u>		<u>–</u>	
		<u>(5,413,607)</u>		<u>(6,250,402)</u>		<u>668,190</u>	
CAPITAL AND RESERVES							
Called up share capital	15	26,446		68,727		631,454	
Share premium account	16	2,444,973		2,586,367		9,787,208	
Own shares held by							
Employee Benefit Trust	16	(33,946)		(33,946)		(33,946)	
Profit and loss account	16	<u>(7,851,080)</u>		<u>(8,871,550)</u>		<u>(9,716,526)</u>	
SHAREHOLDERS' (DEFICIT)/FUNDS – ALL EQUITY			<u>(5,413,607)</u>		<u>(6,250,402)</u>		<u>668,190</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Notes</i>	<i>Year ended 31 December</i>		
		<i>2002</i>	<i>2003</i>	<i>2004</i>
		<i>£</i>	<i>£</i>	<i>£</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17(a)	<u>(1,669,129)</u>	<u>(581,888)</u>	<u>(591,048)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		22,061	4,246	20,001
Interest paid		<u>(4,536)</u>	<u>(18,000)</u>	<u>(103,646)</u>
		<u>17,525</u>	<u>(13,754)</u>	<u>(83,645)</u>
TAXATION				
Research and development tax credit		<u>338,064</u>	<u>–</u>	<u>133,771</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets		(31,535)	(4,360)	(59,153)
Receipts from sales of tangible fixed assets		<u>6,585</u>	<u>251</u>	<u>–</u>
		<u>(24,950)</u>	<u>(4,109)</u>	<u>(59,153)</u>
NET CASH OUTFLOW BEFORE FINANCING		<u>(1,338,490)</u>	<u>(599,751)</u>	<u>(600,075)</u>
FINANCING				
Issue of ordinary share capital		–	215,126	3,448,637
Share issue costs		–	(31,451)	(30,899)
Issue of loan stock	17(b)	–	477,846	–
Repayment of loan stock and accrued interest	17(b)	–	–	(2,258,980)
		<u>–</u>	<u>661,521</u>	<u>1,158,758</u>
MOVEMENT IN CASH	17(b)	<u>(1,338,490)</u>	<u>61,770</u>	<u>558,683</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/CASH

	<i>Notes</i>	<i>Year ended 31 December</i>		
		<i>2002</i>	<i>2003</i>	<i>2004</i>
		<i>£</i>	<i>£</i>	<i>£</i>
Movement in cash		(1,338,490)	61,770	558,683
Cash inflow from increase in loan stock		–	(477,846)	–
Repayment of loan stock and accrued interest		–	–	2,258,980
Change in net debt resulting from cash flows	17(b)	<u>(1,338,490)</u>	<u>(416,076)</u>	<u>2,817,663</u>
Other		<u>(302,167)</u>	<u>(306,595)</u>	<u>4,345,830</u>
MOVEMENT IN NET (DEBT)/CASH		<u>(1,640,657)</u>	<u>(722,671)</u>	<u>7,163,493</u>
NET DEBT AT 1 JANUARY	17(b)	<u>(4,077,612)</u>	<u>(5,718,269)</u>	<u>(6,440,940)</u>
NET (DEBT)/CASH AT 31 DECEMBER	17(b)	<u>(5,718,269)</u>	<u>(6,440,940)</u>	<u>722,553</u>

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

Basis of preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

On 7 March 2005 ANT plc acquired the entire issued share capital of ANT Software Limited. ANT Software Limited is dependent upon financial support from ANT plc.

The financial information has been prepared on the going concern basis. The audit opinion dated 25 February 2005 on the statutory accounts of ANT Software Limited for the year ended 31 December 2004 referred to a fundamental uncertainty with regard to its ability to continue as a going concern but subsequent to that date the fundamental uncertainty has been eliminated as ANT plc has agreed to provide financial support to ANT Software Limited, and has entered into a placing agreement with KBC Peel Hunt and binding placing letters for shares totalling approximately £11.2 million have been received. The only condition precedent remaining outside the control of KBC Peel Hunt and ANT plc for the placing to proceed is the admission of ANT plc to AIM and the directors of both ANT plc and KBC Peel Hunt are not aware of any reason why this should not occur.

Basis of consolidation

The financial information consolidates the financial statements of ANT Software Limited and its subsidiary undertakings, ANT Employee Benefits Limited and ANT Communications Inc drawn up to 31 December each year.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Amounts receivable consist of advance royalties, licence fees and support and maintenance payments.

Turnover is recognised for any element of a sale when all of the basic criteria are met for that element. The four basic criteria for recognising software licence revenue are: that persuasive evidence for the arrangement exists, delivery has occurred, the fee is fixed or determinable and the collection of the revenue is probable. Maintenance revenue is recognised rateably over the period of the contract, and consulting revenue is recognised on the basis of work performed and contract milestones.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Office equipment	–	over 2-5 years
Computer equipment	–	over 3 years
Plant and machinery	–	over 2-5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Interest on convertible redeemable loan stock

Interest on the convertible redeemable loan stock is charged at a constant rate against the outstanding balance. Further details are provided in note 12.

Pensions

The Group provides pension arrangements through a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs represents the contributions payable during the year.

Differences between contributions payable in the year and amounts actually paid are shown as accruals in the balance sheet.

Capital instruments

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Own shares held by Employee Benefit Trust

Own shares held by the Employee Benefit Trust ("EBT") are carried at cost and disclosed within shareholders funds.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

Turnover is attributable to one continuing activity, the provision of computer software licensing and consultancy, which is wholly sourced from the UK.

The Group operates within three geographical markets, the United States, Europe and the Rest of the World. An analysis of turnover by geographical destination is given below:

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
United States	257,864	494,160	731,696
Europe	1,011,975	1,078,299	1,047,120
Rest of the World	105,263	146,654	437,913
	<u>1,375,102</u>	<u>1,719,113</u>	<u>2,216,729</u>

3. OPERATING LOSS

This is stated after charging:

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Auditors' remuneration – audit services – UK	8,500	12,000	24,080
– non-audit services – UK	20,500	26,500	46,350
	<u>29,000</u>	<u>38,500</u>	<u>70,430</u>
Research and development expenditure	1,031,765	596,670	1,398,871
Depreciation of owned tangible fixed assets	106,217	80,540	58,451
Operating lease rentals – land and buildings	363,668	164,954	80,000
– other	962	962	962
	<u>1,502,152</u>	<u>871,526</u>	<u>1,908,614</u>

4. DIRECTORS' EMOLUMENTS

Directors' remuneration and pension entitlements

	<i>Basic salary and fees</i>	<i>Benefits</i>	<i>Performance related bonuses</i>	<i>Total</i>	<i>Pension contributions</i>
	£	£	£	£	£
2004:					
<i>Executive directors:</i>					
S A Woodward	130,000	3,732	36,684	170,416	8,337
P M R Dodd	80,000	–	1,684	81,684	7,992
S M Reeder	76,583	696	61,288	138,567	6,804
D A Fell	80,000	2,355	11,684	94,039	5,328
<i>Non-executive directors:</i>					
A L Caplin	43,750	–	–	43,750	–
J Hartz	15,000	–	–	15,000	–
M P Taylor	15,000	–	–	15,000	–
C E Chadwyck - Healey ⁽¹⁾	–	–	–	–	–
R Farleigh ⁽²⁾	–	–	–	–	–
	<u>440,333</u>	<u>6,783</u>	<u>111,340</u>	<u>558,456</u>	<u>28,461</u>

(1) Resigned 28 April 2004

(2) Appointed 28 April 2004 and resigned 25 June 2004

	<i>Basic salary and fees</i>	<i>Benefits</i>	<i>Performance related bonuses</i>	<i>Total</i>	<i>Pension contributions</i>
	£	£	£	£	£
2003:					
<i>Executive directors:</i>					
S A Woodward	100,000	4,503	–	104,503	6,497
D A Fell	70,000	3,332	–	73,332	4,669
R Grossman ⁽¹⁾	41,995	1,102	–	43,097	3,093
S M Reeder ⁽²⁾	17,500	995	–	18,495	1,750
P M R Dodd ⁽³⁾	40,000	1,000	–	41,000	4,000
<i>Non-executive directors:</i>					
A L Caplin	25,000	–	–	25,000	–
J Hartz	15,000	–	–	15,000	–
M P Taylor	15,000	–	–	15,000	–
C E Chadwyck-Healey	8,710	–	–	8,710	–
D MacKay ⁽¹⁾	–	–	–	–	–
	<u>333,205</u>	<u>10,932</u>	<u>–</u>	<u>344,137</u>	<u>20,009</u>

(1) Resigned 23 June 2003

(2) Appointed 1 October 2003

(3) Appointed 23 June 2003

4. DIRECTORS' EMOLUMENTS (continued)

	<i>Basic salary and fees</i>	<i>Benefits</i>	<i>Performance related bonuses</i>	<i>Total</i>	<i>Pension contributions</i>
	£	£	£	£	£
2002:					
<i>Executive directors:</i>					
S A Woodward	81,000	–	–	81,000	6,020
D A Fell	54,000	–	–	54,000	3,797
R Grossman	48,058	–	37,692	85,750	2,092
J Hoskin ⁽¹⁾	22,500	–	25,715	48,215	2,736
<i>Non-executive directors:</i>					
A L Caplin ⁽²⁾	12,500	–	–	12,500	–
J Hartz	18,750	–	–	18,750	–
M P Taylor	13,875	–	–	13,875	–
C E Chadwyck - Healey	2,500	–	–	2,500	–
D MacKay	6,250	–	–	6,250	–
	<u>259,433</u>	<u>–</u>	<u>63,407</u>	<u>322,840</u>	<u>14,645</u>

(1) Resigned 30 September 2002

(2) Appointed 14 November 2002

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>
Members of defined contribution pension schemes	<u>4</u>	<u>5</u>	<u>4</u>

Directors' interests

For the directors who held office at 31 December 2004, interests in the ordinary share capital are set out below:

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>
S A Woodward	300,000	300,000	300,000
D A Fell	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

4. DIRECTORS' EMOLUMENTS (continued)

In addition to the above interests, the directors who held office at 31 December 2004 had options to purchase the following number of ordinary shares:

Director	Plan	Options held	Options at	Options held	Exercise Price
		at 31 December 2001, 2002 and 2003	granted during the year	31 December 2004	
S A Woodward	EMI ^(a)	–	588,235	588,235	17p
	Unapproved ^(a)	–	6,520,725	6,520,725	17p
	Unapproved ^(b)	300,000	–	300,000	0.001p
S M Reeder	EMI ^(a)	–	588,235	588,235	17p
	Unapproved ^(a)	–	1,632,441	1,632,441	17p
D A Fell	EMI ^(a)	–	588,235	588,235	17p
	Unapproved ^(a)	–	2,571,303	2,571,303	17p
	Unapproved ^(b)	300,000	–	300,000	0.001p
P M R Dodd	EMI ^(a)	–	588,235	588,235	17p
	Unapproved ^(a)	–	517,603	517,603	17p
A L Caplin	Unapproved ^(a)	–	2,211,676	2,211,676	17p

(a) Options were granted in July 2004, and were exercisable on grant. The options lapse on the earlier of the 10th anniversary of their granting or the cessation of any office or employment with ANT Software Limited, and there are no performance requirements prior to the right to exercise the options.

(b) Options were granted over ordinary shares held by an existing shareholder in September 2000, and were exercisable on grant. The options lapse on the earlier of the 10th anniversary of their granting or the cessation of any office or employment with ANT Software Limited, and there are no performance requirements prior to the right to exercise the options.

5. STAFF COSTS

	Year ended 31 December		
	2002	2003	2004
	£	£	£
Wages and salaries	1,698,549	1,201,709	1,451,640
Social security costs	149,369	128,160	165,182
Other pension costs (note 20)	169,647	102,990	129,360
	<u>2,017,565</u>	<u>1,432,859</u>	<u>1,746,182</u>

The monthly average number of employees during the year was as follows:

	Year ended 31 December		
	2002	2003	2004
	No.	No.	No.
Engineering	20	14	17
Sales	6	3	8
Administration	6	13	5
	<u>32</u>	<u>30</u>	<u>30</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Bank interest	4,536	–	2,983
Interest on convertible redeemable loan stock	302,167	324,595	100,663
	<u>306,703</u>	<u>324,595</u>	<u>103,646</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

UK corporation tax charge:

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Research and development tax credit	338,064	–	133,771
Foreign tax:			
Current tax on income for the period	–	–	(14,962)
Adjustments in respect of prior periods	–	–	(12,769)
	<u>–</u>	<u>–</u>	<u>(27,731)</u>
Current tax credit for the year	<u>338,064</u>	<u>–</u>	<u>106,040</u>

The tax assessed on the loss on ordinary activities for the periods shown, is higher than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Loss on ordinary activities before tax	<u>(2,001,995)</u>	<u>(1,020,470)</u>	<u>(951,016)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%; 2002: 30%)	(600,599)	(306,141)	(285,305)
<i>Effect of:</i>			
Disallowed expenses and non-taxable income	3,968	15,000	15,000
Depreciation in excess of capital allowances	12,375	9,998	(1,313)
Tax losses	579,347	285,191	273,868
Research and development tax credit	(338,064)	–	(133,771)
Other timing differences	4,909	(4,048)	(2,250)
Foreign tax	–	–	27,731
Current tax credit for the year	<u>(338,064)</u>	<u>–</u>	<u>(106,040)</u>

There are approximately £7.8 million (2003: £6.8 million; 2002: £6.5 million) of tax losses available to be carried forward subject to the agreement of the Inland Revenue. These losses may be further adjusted to reflect the surrender of the losses relating to qualifying research and development expenditure in accordance with the research and development tax credit scheme. The Group accounts for research and development tax credits on a receipts basis.

8. LOSS PER ORDINARY SHARE

The calculations of loss per ordinary share are based on losses of £844,976 (2003: £1,020,470; 2002: £1,663,931), being the loss for the year and on 8,969,824 (2003: 1,237,857; 2002: 528,922) ordinary shares, being the weighted average number of ordinary shares in issue during the year adjusted to reflect the post year end capital restructuring of five 1p ordinary shares consolidated to one 5p ordinary share.

Both the options and the convertible loan stock have no dilutive effect in loss-making years, and hence the diluted loss per share is the same as the basic loss per share in these years.

9. TANGIBLE FIXED ASSETS

	<i>Office equipment</i> £	<i>Computer equipment</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost or valuation:				
At 1 January 2002	205,262	189,735	50,579	445,576
Additions	4,168	27,367	–	31,535
Disposals	–	(23,808)	(809)	(24,617)
At 31 December 2002	209,430	193,294	49,770	452,494
Additions	577	3,783	–	4,360
Disposals	(12,186)	(8,226)	–	(20,412)
Transfers	–	(809)	809	–
At 31 December 2003	197,821	188,042	50,579	436,442
Additions	8,741	50,412	–	59,153
Disposals	–	(57,798)	–	(57,798)
At 31 December 2004	206,562	180,656	50,579	437,797
Depreciation:				
At 1 January 2002	57,161	78,117	48,317	183,595
Charge during the year	39,899	64,700	1,618	106,217
Disposals	–	(11,669)	(565)	(12,234)
At 31 December 2002	97,060	131,148	49,370	277,578
Charge during the year	32,677	47,219	644	80,540
Disposals	(5,529)	(7,296)	–	(12,825)
Transfers	1,152	(1,717)	565	–
At 31 December 2003	125,360	169,354	50,579	345,293
Charge during the year	34,760	23,691	–	58,451
Disposals	–	(57,798)	–	(57,798)
At 31 December 2004	160,120	135,247	50,579	345,946
Net book value at 31 December 2004	46,442	45,409	–	91,851
Net book value at 31 December 2003	72,461	18,688	–	91,149
Net book value at 31 December 2002	112,370	62,146	400	174,916

10. DEBTORS

	<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	280,385	210,356	365,551
Prepayments and accrued income	549,338	371,568	523,102
	<u>829,723</u>	<u>581,924</u>	<u>888,653</u>

Included in prepayments and accrued income is an amount of £41,125 (2003: £64,638; 2002: £209,024) which is due after more than one year.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Trade creditors	325,358	161,910	134,133
Taxation and social security	87,352	51,273	123,473
Accruals	194,028	201,670	529,328
Deferred income	93,239	67,682	247,933
	<u>699,977</u>	<u>482,535</u>	<u>1,034,867</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Unsecured convertible redeemable loan stock (due within 2 to 5 years)			
2006 loan stock	5,820,369	6,104,536	–
2008 loan stock	–	500,274	–
	<u>5,820,369</u>	<u>6,604,810</u>	<u>–</u>

On 28 April 2004, £3,845,556 of the 2006 loan stock was converted into ordinary shares and the balance outstanding of £1,370,922 plus accrued interest of £980,635 was repaid as set out in note 15. At the same date the 2008 loan stock was fully converted into ordinary shares.

In 2003 the Group created a second type of loan stock. Details of the 2006 and 2008 loan stock are given below:

2006 loan stock:

The balance prior to conversion or repayment represented loan stock with a par value of £5,503,556 (2003: £5,503,556; 2002: £5,503,556) less issue costs of £287,078 (2003: £287,078; 2002: £287,078) plus accrued unpaid interest of £980,635 (2003: £888,058; 2002: £585,891).

The 6% unsecured convertible redeemable loan stock was convertible at the direction of the stockholders into 32,373,859 fully paid up ordinary shares of ANT Software Limited of £0.01 per ordinary share up to and including 30 June 2006. Redemption was to occur on an exit event, and also, subject to approval by the stockholders, the Group may have redeemed at any time in tranches of £100,000.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

An exit event was defined as the earlier of:

- (i) 30 June 2006;
- (ii) a listing of ANT Software Limited or parent company; or
- (iii) a sale of ANT Software Limited.

Unless previously redeemed or converted, it would be redeemed at par on 30 June 2006.

Interest accrued at a rate of 0 per cent. per annum for the first year, 3 per cent. per annum for the second year and 6 per cent. per annum from the third year onwards. However, interest was charged to the profit and loss account at a constant rate on the carrying amount of debt, as required by FRS 4 "Capital Instruments". Interest charged in the year in respect of the convertible debt amounted to £92,577 (2003: £302,167, 2002: £302,167).

2008 loan stock:

The balance prior to conversion represented loan stock with a par value of £500,274 (2003: £500,274; 2002: £nil). Interest has been paid quarterly.

The 5% secured convertible redeemable loan stock was secured by a fixed charge over ANT Software Limited's property and assets and was convertible at the direction of the stockholders into 10,005,480 fully paid up ordinary shares of ANT Software Limited of £0.01 per share up to and including 6 February 2008. Redemption was to occur on an exit event, and also, subject to approval by the stockholders, the Group may have redeemed at any time in tranches of £50,000.

An exit event was defined as the earlier of:

- (i) 6 February 2008;
- (ii) a listing of ANT Software Limited of parent company; or
- (iii) a sale of ANT Software Limited.

Unless previously redeemed or converted, it would be redeemed at par on 6 February 2008.

Interest accrued daily at a rate of 5 per cent. per annum on the basis of a 365 day year. Interest was charged to the profit and loss account at a constant rate, as required by FRS 4 "Capital Instruments". Interest charged in the year in respect of 2008 convertible debt amounted to £8,067 (2003: £22,428).

13. DEFERRED TAX

There are no deferred taxation assets provided in the financial statements as the directors do not consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The amounts not provided are as follows:

	<i>Not provided</i>		
	<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Capital allowances in arrears of depreciation	11,706	20,128	18,343
Losses	1,950,696	2,032,039	2,349,545
Other short term timing differences	4,950	2,250	–
	<u>1,967,352</u>	<u>2,054,417</u>	<u>2,367,888</u>

14. OPERATING LEASE COMMITMENTS

At 31 December the Group had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>			<i>Other</i>		
	<i>At 31 December</i>			<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Expiry date:</i>						
In two to five years	<u>363,668</u>	<u>100,000</u>	<u>99,307</u>	<u>962</u>	<u>962</u>	<u>962</u>

15. SHARE CAPITAL

<i>Authorised</i>	<i>At 31 December</i>			<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of 1p each	<u>10,000,000</u>	<u>50,000,000</u>	<u>140,000,000</u>	<u>100,000</u>	<u>500,000</u>	<u>1,400,000</u>
<i>Allotted, called up and fully paid</i>	<i>At 31 December</i>			<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of 1p each	<u>2,644,609</u>	<u>6,872,739</u>	<u>63,145,433</u>	<u>26,446</u>	<u>68,727</u>	<u>631,454</u>
<i>Warrants</i>	<i>At 31 December</i>			<i>At 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of 1p each	<u>3,693,353</u>	<u>3,693,353</u>	<u>–</u>	<u>36,933</u>	<u>36,933</u>	<u>–</u>

During the year ended 31 December 2003 the authorised share capital was increased by £400,000 by the creation of 40,000,000 ordinary shares of £0.01 each. During the year ended 31 December 2004 the authorised share capital was further increased by £900,000 by the creation of 90,000,000 ordinary shares of £0.01 each.

On 28 April 2004, as part of the equity funding round, 19,952,945 ordinary shares of £0.01 each, with an aggregate nominal value of £199,529, were issued fully paid for cash of £3,392,000 (net of share issue costs of £8,507).

During March and April 2004, 3,693,353 ordinary shares of £0.01 each, with an aggregate nominal value of £36,934, were issued fully paid for cash of £36,934, on exercise of all outstanding warrants at par in accordance with the deed of warrant.

On 28 April 2004, part of the 2006 loan stock with a par value of £3,845,556 was converted into 22,620,919 ordinary shares of £0.01 each, with an aggregate nominal value of £226,209, at a conversion rate of £0.17 per ordinary share with the balance of £1,370,922 plus accrued interest of £980,635 being repaid.

On 28 April 2004, the 2008 loan stock with a par value of £500,274 was converted into 10,005,480 ordinary shares of £0.01 each, with an aggregate nominal value of £100,055, at a conversion rate of £0.05 per ordinary share.

During the year ended 31 December 2003 4,228,130 ordinary shares of £0.01 each with an aggregate nominal value of £42,281 were issued fully paid for cash proceeds of £211,226.

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Share premium</i>	<i>Own shares held by EBT</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£	£
At 1 January 2002	26,446	2,444,973	(33,946)	(6,187,149)	(3,749,676)
Retained loss for the year	–	–	–	(1,663,931)	(1,663,931)
At 31 December 2002	26,446	2,444,973	(33,946)	(7,851,080)	(5,413,607)
Proceeds from issue of shares	42,281	172,845	–	–	215,126
Share issue costs	–	(31,451)	–	–	(31,451)
Retained loss for the year	–	–	–	(1,020,470)	(1,020,470)
At 31 December 2003	68,727	2,586,367	(33,946)	(8,871,550)	(6,250,402)
Proceeds from issue of shares	236,463	3,212,174	–	–	3,448,637
Share issue costs	–	(30,899)	–	–	(30,899)
Conversion of loan stock	326,264	4,019,566	–	–	4,345,830
Retained loss for the year	–	–	–	(844,976)	(844,976)
At 31 December 2004	631,454	9,787,208	(33,946)	(9,716,526)	668,190

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating loss to net cash outflow from operating activities

	<i>Year ended 31 December</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	£	£	£
Operating loss	(1,717,353)	(700,121)	(867,371)
Depreciation of tangible fixed assets	106,217	80,540	58,451
Loss on sale of tangible fixed assets	5,798	7,336	–
(Increase)/decrease in debtors	(464,746)	247,799	(334,460)
Increase/(decrease) in creditors	400,955	(217,442)	552,332
Net cash outflow from operating activities	<u>(1,669,129)</u>	<u>(581,888)</u>	<u>(591,048)</u>

17. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Analysis of net debt

	<i>At</i> <i>1 January</i> <i>2002</i> £	<i>Cash</i> <i>flow</i> £	<i>Other</i> <i>non-cash</i> <i>movements</i> £	<i>At</i> <i>31 December</i> <i>2002</i> £
Cash at bank and in hand	1,440,590	(1,338,490)	–	102,100
Convertible redeemable loan stock	(5,518,202)	–	(302,167)	(5,820,369)
	<u>(4,077,612)</u>	<u>(1,338,490)</u>	<u>(302,167)</u>	<u>(5,718,269)</u>
	<i>At</i> <i>31 December</i> <i>2002</i> £	<i>Cash</i> <i>flow</i> £	<i>Other</i> <i>non-cash</i> <i>movements</i> £	<i>At</i> <i>31 December</i> <i>2003</i> £
Cash at bank and in hand	102,100	61,770	–	163,870
Convertible redeemable loan stock	(5,820,369)	(477,846)	(306,595)	(6,604,810)
	<u>(5,718,269)</u>	<u>(416,076)</u>	<u>(306,595)</u>	<u>(6,440,940)</u>
	<i>At</i> <i>31 December</i> <i>2003</i> £	<i>Cash</i> <i>flow</i> £	<i>Other</i> <i>non-cash</i> <i>movements</i> £	<i>At</i> <i>31 December</i> <i>2004</i> £
Cash at bank and in hand	163,870	558,683	–	722,553
Convertible redeemable loan stock	(6,604,810)	2,258,980	4,345,830	–
	<u>(6,440,940)</u>	<u>2,817,663</u>	<u>4,345,830</u>	<u>722,553</u>

18. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Group's principal financial instruments have comprised cash and convertible loan stock. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The Group has previously entered into derivative transactions in respect of the redeemable convertible loan stock used for funding (see note 12). The Group does not enter into derivative transactions in its trading arrangements.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are liquidity and foreign currency risks. Convertible loan stocks accrued interest at a fixed rate and so no interest rate risk arose on these financial instruments. The board reviews and agrees policies for managing each of these risks.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash at bank and convertible loan stock.

The Group's objective is to maintain a positive cash balance at a level adequate for daily operations.

Foreign currency risk

The Group makes sales in a number of overseas territories and therefore has transactional currency exposures. Such exposures arise from sales made in currencies other than the unit's functional currency. The Group makes approximately 67 per cent. of its sales outside the UK, most of which is denominated in US dollars and therefore subject to foreign exchange movements.

Short term debtors and creditors have been excluded from the following disclosures, other than currency risk disclosures, as permitted by FRS 13 "Derivatives and other financial instruments".

Interest rate risk profile of financial liabilities

The interest rate profile of the financial liabilities of the Group as at 31 December is as follows:

	<i>Fixed rate financial liabilities</i>
	£
2002	
Sterling	<u>5,820,369</u>
2003	
Sterling	<u>6,604,810</u>
2004	
Sterling	<u>—</u>

18. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

	<i>Fixed rate financial liabilities</i>	
	<i>Weighted average interest rate</i>	<i>Weighted average period for which rate is fixed</i>
	<i>%</i>	<i>Years</i>
2002		
Sterling	6.0	3.5
2003		
Sterling	5.9	2.6
2004		
Sterling	–	–

There is no interest rate profile attached to the financial assets of the Group during the periods under review.

Interest rate risk and liquidity risk of the Group's financial assets.

The Group invests its funds in short term bank deposits and has access to these deposits at a maximum of 24 hours notice. The Group's policy throughout the period has been to minimise the risk by placing funds in low risk cash deposits but to also maximise the return on funds placed on deposit.

Interest rates on deposits are at a variable rate connected to LIBOR.

Currency exposures

The table below shows the Group's currency exposures; in other words, those transactional (or non-structural) exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in Sterling, being the operating (or 'functional') currency of the Group.

At 31 December, these currency exposures are as follows:

	<i>Net foreign currency monetary assets</i>		
	<i>US dollar</i>	<i>Other</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
2002			
Sterling	292,384	227	292,611
2003			
Sterling	218,357	49,768	268,125
2004			
Sterling	449,194	57,004	506,198

Maturity of financial liabilities

The maturity profile of the Group's financial liabilities at 31 December is as follows:

	2002	2003	2004
	£	£	£
In more than two years, but not more than five	5,820,369	6,604,810	–

18. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

Borrowing facilities

The Group has an overdraft facility available which has not been used to date, however there were no committed facilities available at 31 December 2002, 2003 or 2004.

Fair values of financial assets and financial liabilities

The directors consider there to be no material difference between the fair value and carrying values of the financial instruments at the balance sheet dates.

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Amounts contracted for but not provided in the accounts amounted to £nil (2003: £nil; 2002: £nil).

20. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

21. POST BALANCE SHEET EVENT

Since 31 December 2004, the following significant events have taken place:

On 10 February 2005, options to acquire 2,225,000 ordinary 1p shares at an exercise price of 19p were granted to 32 employees of ANT Software Limited. These options were exercisable from Admission.

On 14 February 2005, options granted to employees for 43,518 ordinary 1p shares during the periods up to 31 December 2002 were cancelled and new options for 43,518 ordinary 1p shares were granted at an exercise price of 19p.

On 7 March 2005, ANT Ltd changed its name to ANT Software Limited.

On 7 March 2005, each of the existing issued and unissued ordinary shares of 1p each were consolidated into ordinary shares of 5p each, resulting in authorised share capital of 28,000,000 ordinary 5p shares with 12,629,099 ordinary 5p shares allotted, called up and fully paid.

On 7 March 2005, the entire issued share capital of ANT Software Limited was acquired by ANT plc for the issue of 12,629,097 new ordinary 5p shares of ANT plc.

Subsequent to the capital consolidation and the acquisition of ANT Software Limited by ANT plc as noted above, the options to acquire ordinary 1p shares in ANT Software Limited were adjusted to reflect the consolidation and exchanged into options to acquire ordinary 5p shares in ANT plc.

Yours faithfully

Ernst & Young LLP

PART IV

ADDITIONAL INFORMATION

1. Incorporation and principal activities

- 1.1 The Company was incorporated and registered in England and Wales as a public limited company on 22 February 2005 with the name “Minmar (705) plc” and with registered number 5372859. The Company changed its name to “ANT plc” by a written resolution passed on 7 March 2005.
- 1.2 The Company was issued with a certificate under section 117 of the Act entitling it to do business on 7 March 2005.
- 1.3 The liability of the members of the Company is limited.
- 1.4 The main activity of the Company is to act as a holding company for ANT Software Limited.
- 1.5 The principal legislation under which the Company operates is the Act and regulations made under it.

2. Share capital

- 2.1 The Company was incorporated with an authorised share capital of £2,000,000 divided into 40,000,000 ordinary shares of 5p each.
- 2.2 By a written resolution passed on 7 March 2005, the Directors were empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) as if section 89(1) of the Act did not apply to any such allotment, provided that this power is limited to the allotment of equity securities:
 - (a) in connection with an offer of equity securities by way of rights to the holders of Ordinary Shares and/or any other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of Ordinary Shares (or, as appropriate, the number of Ordinary Shares which such other persons are, for the purposes of such offer, deemed to hold) on a record date fixed by the Directors but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with any legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever;
 - (b) up to an aggregate nominal value of £631,454.85, as consideration pursuant to the share exchange agreement more fully described in paragraph 10.1.6 below;
 - (c) up to an aggregate nominal value of £436,507.90, pursuant to the Placing;
 - (d) up to an aggregate nominal value of £142,799, pursuant to the Option Schemes; and
 - (e) (otherwise than pursuant to paragraphs (a) to (d) above), up to an aggregate nominal value of £60,341.

This power will expire at the conclusion of the next annual general meeting of the Company or on the day following 15 months after the date of Admission (whichever is earlier), unless renewed, varied or extended, save that, in each case, the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuant of such offer or agreement as if the power conferred hereby had not expired.

- 2.3 Pursuant to the share exchange agreement more fully described in paragraph 10.1.6 below and the authorities referred to in paragraph 2.2 above, the Company issued 12,629,097 Ordinary Shares on 7 March 2005.

- 2.4 As at the date of this document and immediately following the Placing and Admission, the authorised and issued share capital of the Company is and will be as follows:

	<i>Authorised</i>		<i>Issued (fully paid)</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Current				
Ordinary Shares	40,000,000	2,000,000	15,406,209	770,310.45
On Admission				
Ordinary Shares	40,000,000	2,000,000	24,286,367	1,214,318.35

- 2.5 The new Ordinary Shares will be issued in reliance on the authorities referred to in paragraph 2.2 above.
- 2.6 On Admission the Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after Admission on the issued share capital.
- 2.7 The Articles contain no provisions as to rights of pre-emption on either the transfer, issue or allotment of shares. The provisions of section 89 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities (within the meaning of section 94(2) of the Act) which are, or are to be, paid up in cash (other than by way of allotment to employees under an employees' share scheme (as defined in section 743 of the Act)) apply, except to the extent that such provisions have been disapplied, to the authorised but unissued share capital of the Company in respect of which the Directors currently have (pursuant to the resolution referred to in paragraph 2.2 above) authority to make allotments pursuant to sections 80 and 89 of the Act.

3. Directors

3.1 *Interests in Ordinary Shares*

The interests of the Directors (and their immediate families and of persons connected with them, within the meaning of Section 346 of the Act) in Ordinary Shares (which have been notified to the Company pursuant to Section 324 of the Act and are required to be entered into the register of Directors' interests maintained under the provisions of Section 325 of the Act) as at 10 March 2005 (being the most recent practicable date prior to the publication of this document), all of which are beneficial, are as follows:

Ordinary Shares

	<i>As at 10 March 2005</i>		<i>On Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of enlarged issued share capital</i>
<i>Directors</i>				
A L Caplin	–	–	–	–
S A Woodward	60,000	0.5%	60,000	0.2
P M R Dodd	–	–	–	–
S M Reeder	–	–	–	–
D Kynaston	–	–	–	–

Note:

Each of the executive Directors is also deemed to be interested in the 2,898,630 Ordinary Shares held by the EBT.

Options to acquire Ordinary Shares

	<i>Date of grant</i>	<i>Shares under option</i>	<i>Ordinary Exercise Price</i>	<i>Exercise Dates</i>	
				<i>From</i>	<i>To</i>
A L Caplin	5 July 2004	442,336	85p	5 July 2004	5 July 2014 ⁽¹⁾
S A Woodward	2 July 2004	117,647	85p	2 July 2004	2 July 2014 ⁽²⁾
	2 July 2004	1,304,145	85p	2 July 2004	2 July 2014 ⁽²⁾
	7 March 2005	213,303	126p	16 March 2005	7 March 2015 ^(1,3)
	8 March 2005	60,000	0.005p	8 March 2005	22 July 2009 ^(2,4)
	8 March 2005	25,600	85p	8 March 2005	22 July 2009 ^(2,5)
P M R Dodd	2 July 2004	117,647	85p	2 July 2004	2 July 2014 ⁽²⁾
	2 July 2004	103,521	85p	2 July 2004	2 July 2014 ⁽²⁾
	7 March 2005	222,010	126p	16 March 2005	7 March 2015 ^(1,3)
S M Reeder	2 July 2004	117,647	85p	2 July 2004	2 July 2014 ⁽²⁾
	2 July 2004	324,689	85p	2 July 2004	2 July 2014 ⁽²⁾

Note:

- (1) To be satisfied through the issue of new Ordinary Shares by the Company.
- (2) To be satisfied by the transfer of existing Ordinary Shares currently held by the EBT.
- (3) Exercise is conditional on Admission.
- (4) These options were granted by the EBT to replace previous options granted to Mr Woodward by Inflexion plc over certain shares held by them.
- (5) These options were granted by the EBT as compensation to Mr Woodward for assuming certain National Insurance Contribution liabilities of the Group.

3.2 Directorships

The Directors currently are members of the following partnerships and hold the following directorships and have been members of the following partnerships and have held the following directorships within the five years prior to the publication of this document:

	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships held in last five years</i>
Tony Caplin	ANT Software Limited Alternative Networks plc Barts and The London NHS Trust Bibliotech Holding Plc Britton Holdings Limited Coppice Alupack Limited Dynamic Commercial Finance plc Durlacher Corporation Plc Ealing Hospital NHS Trust Edengene Limited Easynet Group Plc Hand Picked Hotels Limited Melh 888 Limited Norprint Labelling Systems Limited Northamber plc River Gardens Amenity Limited Syncforce Limited The Family Holiday Association Webdraw Limited	2020ME Holdings Limited 2020ME Limited 2020ME UK Limited 80-20 Europe Limited Abingdon Capital Plc Biblio@tech Ltd Dudley Office Supplies Limited Dudley Stationery Limited ERA Group Plc Fattoria Villa Saletta Srl. FirstAfrica Oil plc Global Sealing Technologies Ltd Heritage Image Partnership Ltd Icollector Plc IEQ Plc Ifuel Limited Integration Limited Inter-hopper Limited Irevolution Limited iRevolution Group Plc Jasmin PLC Keystone Solutions Group Limited Law 883 Limited London Pride Bus and Coach Sales Limited

	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships held in last five years</i>
Tony Caplin (continued)		London Pride (Bus Sales) Limited London Pride Engineering Limited London Pride Group Limited London Pride Holdings Limited London Pride Sightseeing Limited Marchpole Holdings Plc Newscreen Media Group Plc Redcliffe School Trust Limited Rockingham Motor Speedway Limited Tadpole Technology plc Terra Firma Capital Partners Limited The Hotgroup Plc The Virtual Orchestra Company Limited Totally Plc Totalrock Limited Trust Totally Plc Venturia Plc William Clowes Limited
Simon Woodward	ANT Software Limited ANT Employee Benefits Limited ANT Communications Inc. The Perse School	Clarwood Associates Clarwood Associates Limited Fairstead House School Trust Limited Total Minmar plc
Paul Dodd	ANT Software Limited ANT Employee Benefits Limited Fairstead House School Trust Limited Lidgate Marquees Limited Rolls III Partnership Draycott Hotel LLP	Ernst & Young LLP Total Minmar plc
Stephen Reeder	ANT Software Limited	–
David Kynaston	ANT Software Limited C.F.G. Flying Limited Hansatech Limited Information Technology Telecommunications and Electronics Association TTP Communication plc	The Federation of the Electronics Industry Onrelay Limited Solectron Scotland Limited Solectron UK Limited

3.3 *Receiverships and liquidations*

Other than as disclosed in 3.4 below, at the date of this document none of the Directors has:

- (a) had any unspent convictions in relation to indictable offences;
- (b) been declared bankrupt or entered into an individual voluntary arrangement;
- (c) been a director with an executive function of any company at the time or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (d) been a partner in a partnership at the time of, or within twelve months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of any such partnership;

- (e) had his assets the subject of any receivership or has been a partner of a partnership at the time of or within the twelve months preceding, any assets thereof being the subject of a receivership; or
 - (f) been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 3.4
- (a) Tony Caplin was appointed as a director of Computer Monitoring Services Limited in March 1984. On 25 October 1984, a liquidator was appointed to this company which was put into creditors voluntary liquidation. There was a deficiency to creditors of approximately £132,500.
 - (b) Tony Caplin became non-executive director of ERA Group Plc on 25 June 1997. Administrative receivers were appointed on 13 March 2001 following a request by the directors of ERA Group Plc. The estimated deficiency to creditors at 13 March 2001 was £1,078,000. This company was a holding company for various trading entities, including Beatties of London Limited.
 - (c) Tony Caplin was a director of both Dudley Stationery Limited and Dudley Office Supplies Limited which were put into administration on 28 September 2001 and 7 August 2002, respectively. Mr Caplin was appointed as the Barclays Bank nominee. The estimated deficiency to creditors at Dudley Stationery Limited at 3 December 2001 was £23,030,000 and the estimated deficiency to creditors at Dudley Office Supplies Limited at 7 August 2002 was £5,543,000.
 - (d) Tony Caplin was a director of Newscreen Media Group Plc (then called Just Group Plc) which was granted an administration order by the High Court on 9 January 2002. Tony Caplin resigned as a director of Newscreen Media Group on 2 August 2002.
 - (e) Tony Caplin was a director of Icollector Plc, which was put into creditors voluntary liquidation on 28 February 2002. Tony Caplin resigned as a director of Icollector Plc on 14 September 2001. There was a deficiency to creditors of approximately £2,958,000.
 - (f) Tony Caplin is a director of Global Sealing Technologies Limited which was put into administration on 21 September 2004, at which stage he resigned as a director. The estimated deficiency to creditors at 22 October 2004 was £6,255,050.
 - (g) Tony Caplin was appointed as a director of iRevolution Group Plc on 21 July 2000. On 20 October 2003, a liquidator was appointed to this company, which was put into creditors voluntary liquidation. There was a deficiency to creditors of approximately £41,487.

3.5 *Terms of employment*

The Directors have entered into the following agreements with the Company:

- (a) Tony Caplin was appointed as a non-executive Director of the Company on 24 February 2005 and entered into a letter of appointment with the Company, dated 24 February 2005, conditional upon Admission. This appointment is for a fixed term of three years unless terminated on either side by one month's written notice. Tony Caplin will receive a fee of £50,000 per annum for providing services for as many full working days in each calendar month as required to perform his duties. Tony Caplin is subject to a confidentiality undertaking and provisions stating that he has no conflict of interest with the Company or any member of the Group. He is also a director of ANT Software Limited.
- (b) Simon Woodward was appointed as a Director of the Company on 24 February 2005 and entered into a service agreement with the Company, dated 24 February 2005, conditional upon Admission. In his capacity as Managing Director of the Company, Simon Woodward receives a salary of £160,000 per annum. The agreement has no fixed term and is terminable by the giving of 12 months' notice in writing by either party. Simon Woodward is entitled to 25 paid working days' holiday each year. He is also entitled to be considered for a discretionary bonus. Simon Woodward is subject to a gardening leave provision and to non-compete, non-solicitation, non-dealing and non-poaching restrictions for 12 months following termination of his employment with the Company. He is also a director of ANT Software Limited.

- (c) Paul Dodd was appointed as a Director of the Company on 24 February 2005 and entered into a service agreement with the Company, dated 24 February 2005, conditional upon Admission. In his capacity as Group Financial Director of the Company, Paul Dodd receives a salary of £100,000 per annum. The agreement has no fixed term and is terminable by the giving of 12 months' notice in writing by either party. Paul Dodd is entitled to 25 paid working days' holiday each year. Paul Dodd is also entitled to be considered for a discretionary bonus. He is subject to a gardening leave provision and to non-compete, non-solicitation, non-dealing and non-poaching restrictions for 12 months following termination of his employment with the Company. He is also a director of ANT Software Limited.
- (d) Stephen Reeder was appointed as a Director of the Company on 24 February 2005 and entered into a service agreement with the Company, dated 24 February 2005, conditional upon Admission. In his capacity as Sales and Marketing Director of the Company, Stephen Reeder will receive a salary of £80,000 per annum. The agreement has no fixed term and is terminable by the giving of 12 months' notice in writing by either party. He is also entitled to 25 paid working days' holiday each year. Stephen Reeder is also entitled to be considered for a target based bonus. Stephen Reeder is subject to a gardening leave provision and to non-compete, non-solicitation, non-dealing and non-poaching restrictions for 12 months following termination of his employment with the Company. He is also a director of ANT Software Limited.
- (e) David Kynaston was appointed as a non-executive Director of the Company on 24 February 2005 and entered into a letter of appointment with the Company dated 24 February 2005, conditional upon Admission. This appointment is for a fixed term of three years unless terminated on either side by one month's written notice. David Kynaston will receive a salary of £30,000 per annum for providing services for as many full working days in each calendar month as required to perform his duties. David Kynaston is subject to a confidentiality undertaking and provisions stating that he has no conflict of interest with the Company or any member of the Group.

3.6 *Estimate of remuneration*

The aggregate of the remuneration paid and benefits in kind (including pension contributions) granted to the Directors by the Company and its subsidiary undertakings during the financial year ended 31 December 2004 was £586,917. The aggregate of the remuneration payable and benefits in kind (including pension contributions) to be granted by the Company to the Directors for the financial period ending 31 December 2005 under the arrangements in force at the date of this document is estimated to be approximately £514,000.

4. **Substantial shareholders**

Other than the holdings of the Directors, which are set out in paragraph 3 above, the Directors are aware of the following who, as at 10 March 2005 (being the most recent practicable date prior to the publication of this document), were or, who immediately following Admission and the Placing, are expected to be interested, directly or indirectly, in 3 per cent. or more of the Company's capital:

	<i>As at 10 March 2005</i>		<i>Following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of enlarged issued share capital</i>
Inflexion Partners Limited	3,232,472	25.6%	732,472	3.0%
ANT Employee Share Trust	2,898,630	18.8%	2,898,630	11.9%
Richard Farleigh	2,352,942	18.6%	2,749,767	11.3%
Foresight Technology VCT plc	1,556,596	12.3%	1,556,596	6.4%
TriVest VCT plc	1,556,596	12.3%	656,596	2.7%
Mifune Investments Limited	593,395	4.7%	593,395	2.4%
PALL MALL Technology Ventures LP	470,589	3.7%	270,589	1.1%
Sir Charles Edward Chadwyck-Healey	441,783	3.5%	316,783	1.3%

5. Memorandum and Articles of Association

5.1 *Memorandum of Association*

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on business as a general commercial company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association of the Company, which is available for inspection at the address specified in paragraph 12 below.

5.2 *Articles of Association*

The Company's Articles of Association contain provisions, *inter alia*, to the following effect:

5.2.1 *Voting*

Subject to the provisions of the Act, the Articles and to any special rights or restrictions as to voting attached to any class of shares which may have been issued or may for the time being be held, at any general meeting, every member (being an individual) who is present in person or (being a corporation) is present by a duly authorised representative shall, on a show of hands, have one vote, and on a poll, every member so present in person or by proxy shall have one vote for every Ordinary Share of which he is a holder. A proxy need not be member of the Company.

5.2.2 *Variation of rights*

The rights attached to any class of shares may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class whether while the Company is a going concern or during, or in contemplation of, a winding-up. To every such separate general meeting all the provisions of the Act and of the Articles relating to general meetings or the proceedings at such meetings shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of that class and at an adjourned meeting shall be one person holding shares of the class or his proxy.

5.2.3 *Changes of capital*

The Company may by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amounts as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
- (c) cancel any shares which, at the date of the resolution, have not been issued to or agreed to be issued to any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (d) sub-divide all or any of its shares into shares of a smaller amount.

The Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner authorised by the Act.

5.2.4 *Transfer of shares*

Subject to such restrictions of the Articles as may be applicable, a member may transfer all or any of his shares (held in certificated form) by an instrument of transfer in writing in any usual form or in any other form approved by the Board. A transfer shall be executed by or on behalf of the transferor and (if the share is partly paid) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members in respect thereof. Shares which are held in uncertificated form may be transferred by means of a relevant system (as defined in, and subject to and in accordance with, the

Uncertificated Securities Regulations 2001 and the facilities and requirements of the relevant system concerned).

The Directors may also refuse to register any transfer of shares unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of share;
- (d) it is in favour of not more than four joint transferees;
- (e) in the case of certificated shares, it is duly stamped or adjudicated to be exempt from stamp duty; and
- (f) in the case of certificated shares, it is delivered for registration to the office or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised clearing house where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of a share in uncertificated form to the extent that the Company is permitted to do so by the Uncertificated Securities Regulations 2001 and the requirements of the relevant system concerned provided that where shares in uncertificated form are admitted to trading on the London Stock Exchange such a refusal would not prevent dealings in the shares in uncertificated form from taking place on an open and proper basis.

Without prejudice to the other provisions of this paragraph 5.2.4, the Board may, in exceptional circumstances approved by the UK Listing Authority and the London Stock Exchange, refuse to register the transfer of a share which is fully paid up.

There are no rights of pre-emption under the Articles in respect of transfer of issued Ordinary Shares.

5.2.5 *Dividends*

Subject to the provisions of the Act and the Articles, the Company may, by ordinary resolution, declare dividends to be paid to members according to their respective rights and interests in the profits of the Company, but so that no dividend shall exceed the amount recommended by the Board. The Board may pay such interim dividends as appear to them to be justified by the financial position of the Company. The Board may direct that the payment of any dividend may be satisfied by the distribution of assets of any kind, in particular of paid up shares, securities or debentures of any other company. The Board may, with the prior sanction of an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive further Ordinary Shares in the Company, credited as fully paid, instead of cash in respect of all or part of such dividends. Any dividend unclaimed after a period of 12 years after having become due for payment shall (if the Directors so resolve) be forfeited and shall revert to the Company.

5.2.6 *Distribution of assets on a winding up*

On a winding up of the Company the surplus assets available for distribution will be divided among the members in proportion to the amounts paid up on the Ordinary Shares held by them in accordance with the Articles and the Insolvency Act 1986. The liquidator may, with the sanction of an extraordinary resolution of the Company and subject to the rights of dissenting members, divide among the members *in specie* the whole or any part of the assets of the Company. The liquidator may, with like sanction, vest the whole or any part of the assets in trustees upon trust for the benefit of such members as the liquidator shall think fit, but so that no member shall be compelled to accept any such assets on which there is a liability.

5.2.7 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge the whole or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Act, to issue debentures and other securities.

5.2.8 *Directors*

A Director who to his knowledge is in any way (directly or indirectly) interested in a contract, arrangement, transaction or proposal is required to declare the nature of his interest at the Board meeting at which the question of his entering into the contract, arrangement, transaction or proposal is first taken into consideration.

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution of the Board or a committee of the Board concerning his own appointment, or as the holder of any office or place of profit with the Company or any contract, arrangement, transaction or proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in or through, the Company.

The prohibitions above shall not apply and a Director may (in the absence of some other material interest) vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) any contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting of which he is to participate;
- (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company (including any subsidiary of the Company) in which he is interested (directly or indirectly) and whether as an officer or shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Act) representing one per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;
- (e) any contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiaries (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates to; and
- (f) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance.

The fees of the Directors (other than any Directors who for the time being hold an executive office or employment with the Company or a subsidiary of the Company) for their services as Directors shall not exceed in aggregate £300,000 per annum (or such higher amount as the Company may from time to time by ordinary resolution determine). Subject to this limit, each Director shall be paid a fee (to accrue from day to day) at such rate as is from time to time determined by the Board.

In addition, any Director who holds any executive office may be paid such extra remuneration by way of salary, commission, fees or otherwise as the Board may determine.

At each annual general meeting at least one-third of the Directors (excluding those required to retire at that annual general meeting because they were appointed by the Board since the last annual general meeting) shall retire from office. Each Director must retire at the third annual general meeting following his appointment or reappointment in a general meeting.

5.2.9 Suspension of Rights

If a member or any person appearing to be interested in shares has been duly served with a notice under section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may serve on such member or on any such person a notice (a “default notice”) in respect of the shares in relation to which the default occurred (“default shares”) directing that the member shall not be entitled to vote in respect of any shares held by him at any general or class meeting of the Company.

Where the default shares represent not less than 0.25 per cent. of the shares of the relevant class, the default notice may in addition direct that any dividend or other money payable in respect of the default shares shall be withheld by the Company without any obligation to pay interest and no transfer of any of the default shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the transfer when presented for registration is accompanied by a certificate given by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer or until the shares are transferred or sold in the circumstances set out in the Articles. The prescribed period referred to above means 14 days from the date of service of the notice under section 212.

5.2.10 Purchase of own shares

Subject to the provisions of the Act and to any right for the time being attached to any shares, the Company may purchase any of its own shares of any class (including redeemable shares).

5.2.11 Untraced shareholders

The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years, at least 3 dividends have been paid in relation to such shares during those 12 years and no dividend has been claimed and within a further period of 3 months from the date of advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years, the Company has not received any communication in respect of such shares from the member or the person entitled to the shares by transmission.

6. Share Options

6.1 *The ANT 2005 Share Option Scheme (the “Scheme”)*

6.1.1 Structure of the Scheme

The Scheme was established on 7 March 2005 and is administered by the Board. Any employee of the Group is eligible to participate in the Scheme at the discretion of the Board. The Board may grant an option to a participant to acquire Ordinary Shares at a price per share to be determined by the Board at the time when the option is granted. The exercise price may not be less than the higher of the market value of an Ordinary Share on the day on which the option is granted and if the option is to subscribe for Ordinary Shares the nominal value of an Ordinary Share. Options may be satisfied by the allotment and issue of new Ordinary Shares on exercise and/or by the transfer of issued Ordinary Shares by the trustee of the EBT.

The Scheme is designed to be capable of granting options which are qualifying options under Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 (“EMI” options) and options which do not so qualify (“Unapproved” options). Options are not pensionable and no payment is required for the grant of an option. Options are not transferable, except on death.

6.1.2 *Timing of Grants*

Options may normally be granted at any time prior to Admission or within six weeks following the Company’s announcement of its results for any period. The Board may also grant options when there are exceptional circumstances which the Board considers justifies such grants. No option may be granted under the Scheme after 7 March 2015.

6.1.3 *Individual Limit*

No individual may be granted an EMI option to the extent that the aggregate market value of the Ordinary Shares comprised in subsisting EMI options held by that individual under the Scheme when aggregated with the market value of Ordinary Shares comprised in subsisting EMI options held by that individual under any other EMI share option scheme operated by the Group would exceed £100,000 (or such higher limit as may from time to time be permitted by the relevant statutory provisions). The aggregate market value of Ordinary Shares comprised in all options granted to an individual under the Scheme in any financial year may not exceed 100 per cent. of his or her annual rate of base salary in that financial year (excluding any options granted prior to Admission). For the purposes of these limits the market value of an Ordinary Share is determined at the date of grant of the relevant option.

6.1.4 *Scheme Limits*

No option to subscribe for Ordinary Shares may be granted under the Scheme if immediately thereafter the number of Ordinary Shares issued or capable of being issued pursuant to options granted under the Scheme or any other employees’ share scheme operated by the Group within the immediately preceding period of ten years would exceed such number of Ordinary Shares which at that time represents 10 per cent. of the issued ordinary share capital of the Company. The following Ordinary Shares are excluded from this limit:

- any Ordinary Shares subject to an option to acquire Ordinary Shares where the right lapses or is surrendered;
- any Ordinary Shares issued to the EBT prior to Admission; and
- any Ordinary Shares issued pursuant to the terms of the share option agreement dated 5 July 2004 and made between ANT Software Limited and A L Caplin.

6.1.5 *Exercise of Options*

Options granted after Admission may normally only be exercised during the period of seven years commencing on the third anniversary of the date of grant of the option. The exercise of all options granted after Admission will in normal circumstances be subject to the attainment of challenging performance targets set by the Board.

6.1.6 *Leaving Employment*

As a general rule, options may only be exercised whilst a participant remains an employee of the Group. However, options may be exercised for a limited period if a participant ceases to be employed within the Group in certain special circumstances, including the death, retirement, ill health, injury or disability of the participant or where the participant’s employing company or business is disposed of outside the Group or at the discretion of the Board in any other circumstances. If the participant ceases to be an employee within three years of the date of grant of an option in the special circumstances described above the option may only be exercised to the extent that the Board considers that the performance targets imposed on grant have been satisfied

with a pro rata reduction on a monthly basis to the number of Shares under the option by reference to the number of months between cessation of employment and the third anniversary of the date of grant of the option unless the Board considers that it would be inappropriate to apply a pro rata reduction.

6.1.7 *Corporate Events*

In the event of a takeover, scheme of arrangement or winding up of the Company before options have become exercisable options may be exercised to the extent that the Board considers that the performance conditions have been satisfied at the relevant time, with a pro rata reduction on a monthly basis to the number of Shares under the option by reference to the number of months between the date of the relevant event and the third anniversary of the date of grant of the option unless the Board considers that it would be inappropriate to apply a pro rata reduction.

In the event of a takeover, scheme of arrangement or winding up of the Company (not being a corporate reorganisation) after the end of the performance period any options may be exercised for a limited period to the extent that any performance targets imposed on grant have been satisfied.

In the event of a corporate reorganisation options may be replaced by equivalent new options over shares in a new holding company.

6.1.8 *Rights Attaching to Ordinary Shares*

Any Ordinary Shares allotted or transferred when an option is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment or transfer).

6.1.9 *Variation of Capital*

In the event of any variation in the share capital the Board may, subject to the prior approval of the Board of Inland Revenue for EMI options, make such adjustment as it considers appropriate to the number of Ordinary Shares under options or the exercise price of options provided that the auditors of the Company confirm such adjustment to be, in their opinion, fair and reasonable.

6.1.10 *Alteration of the Scheme*

The Board may, at any time, amend the provisions of the Scheme in any respect, provided that the prior approval of Shareholders must be obtained for any amendments that are to the advantage of participants in respect of the rules governing the exercise price of options, the limits on individual participation, the overall limit on the issue of Ordinary Shares, the rights of exercise and lapse of options, the rights attaching to Ordinary Shares following the exercise of options and the provisions relating to the adjustment of options following a variation in the capital of the Company.

The requirement to obtain prior approval of Shareholders will not, however, apply to any minor alteration made to benefit the administration of the Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or for any company in the Group. The Board may also alter the Scheme in any respect without the prior approval of Shareholders where the alteration is made to comply with any statutory requirement relating to EMI options.

6.2 ***The ANT Employee Share Trust (“EBT”)***

The EBT has been established for the benefit of all employees and former employees of the Group and their relatives. The EBT is administered by a professional trustee company based in Jersey.

On 7 March 2005 ANT Software Limited provided a loan of £2,361,425.10 to the EBT to enable it to acquire 2,897,110 Ordinary Shares prior to Admission for the purpose of satisfying options over the same number of Ordinary Shares.

Any Ordinary Shares held by the EBT which are not required to satisfy option grants outstanding at the time of Admission (for example because options have lapsed) will be used to support rights granted under the ANT 2005 Share Option Scheme in the future.

6.3 *The ANT Share Option Scheme (“the Old Scheme”)*

The Old Scheme was established by ANT Software Limited on 30 June 2004. Options were granted under the Old Scheme to acquire ordinary shares in ANT Software Limited in July 2004 and February 2005. These options consisted of both EMI options and Unapproved Options. Options granted under the Old Scheme have been exchanged for equivalent options to acquire Ordinary Shares (further details of the option exchange are set out in paragraph 10.1.8). All the options granted under the Old Scheme are currently exercisable and will not normally lapse until the tenth anniversary of the relevant date of grant. However, options will lapse early on a cessation of employment except in the special circumstances which are similar to the circumstances set out in paragraph 6.1.6. As at the date of this document the total number of Ordinary Shares subject to options granted under the Old Scheme is 3,170,926 of which 2,725,910 Ordinary Shares are due to be satisfied on exercise by the transfer of Ordinary Shares held by the EBT with the balance of 445,016 Ordinary Shares due to be satisfied on exercise by the allotment and issue of new Ordinary Shares.

6.4 *Option granted to A L Caplin*

On 5 July 2004, ANT Software Limited granted to A L Caplin an option to acquire ordinary shares in ANT Software Limited. This option has been exchanged for an equivalent option to acquire Ordinary Shares (“the Caplin Option”). Further details of this option exchange are set out in paragraph 10.1.8. The terms of the Caplin Option are similar to the terms of options granted under the Old Scheme. The Caplin Option is currently exercisable but will lapse if A L Caplin ceases to be a director of the Company except in certain special circumstances. As at the date of this document the total number of Ordinary Shares subject to the Caplin Option is 442,336 at an exercise price of 85p per Ordinary Share. The Caplin Option will be satisfied on exercise by the allotment and issue of new Ordinary Shares.

6.5 In addition to those options detailed in paragraph 3 above, at Admission the following options to acquire Ordinary Shares will be outstanding:

	<i>Date of grant</i>	<i>Ordinary Shares under option</i>	<i>Exercise Price</i>	<i>Exercise Dates</i>	
				<i>From</i>	<i>To</i>
	2 July 2004	631,908	85p	2 July 2004	2 July 2014 ⁽¹⁾
	10 February 2005	445,016	95p	Admission	10 February 2015 ^(2,5)
	14 February 2005	8,706	95p	Admission	14 February 2015 ^(1,6)
	8 March 2005	60,000	0.005p	8 March 2005	22 July 2009 ^(1,3)
	8 March 2005	25,600	85p	8 March 2005	22 July 2009 ^(2,4)

Note:

- (1) To be satisfied by existing Ordinary Shares held by the EBT.
- (2) To be satisfied by new Ordinary Shares to be issued by the Company.
- (3) These options were granted by the EBT to replace previous options granted by Inflexion plc over certain shares held by them.
- (4) These options were granted by the EBT as compensation for assuming certain National Insurance Contribution liabilities of the Group.
- (5) The Board agreed in principle to grant these options on 28 April 2004 as rewards and incentives to grow the business.
- (6) These options were granted to replace options that had previously been granted to employees at significantly higher prices.

7. Working Capital

The Directors are of the opinion that, having made due and careful enquiry and having taken into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the twelve months from the date of Admission.

8. Litigation

There are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company or any member of its group which are having or may have a significant effect on the financial position of the Company.

9. Taxation

The following paragraphs include advice received by the Directors about the current taxation position of Shareholders who are resident or ordinarily resident and domiciled in the UK for taxation purposes in respect of their holdings of Ordinary Shares, who hold their Ordinary Shares as investments and who are the absolute beneficial owners of those shares. The statements below are intended only as a general guide and do not constitute advice to any Shareholder on his or her personal tax position and may not apply to certain classes of investor (such as dealers, charities or pension providers) or investors who acquired their shareholding by reason of a directorship or employment. The comments are based on current legislation and published Inland Revenue practice. Levels of taxation may change from time to time. **Any investor who is in doubt as to his or her tax position, or who may be subject to tax in any other jurisdiction, should consult his or her professional adviser.**

(a) *Taxation of dividends*

There is no UK withholding tax on dividends.

A dividend paid to a non-corporate Shareholder is treated as being paid with a tax credit equal to one ninth of the net dividend. A dividend of £90 would therefore have an accompanying tax credit of £10. The gross dividend will be included in calculating an individual Shareholder's total income and will be regarded as the top slice of the individual's income and therefore taxed accordingly. Individual Shareholders whose taxable income is within the lowest or basic rate bands will be liable to income tax at 10 per cent. on the aggregate of the dividend and the tax credit. The tax credit will therefore satisfy their income tax liability on the dividend. Individual Shareholders who are liable to income tax at the higher rate will be charged to income tax at 32.5 per cent. on the aggregate of the dividend with the accompanying tax credit. The 10 per cent. tax credit is set against the income tax liability of 32.5 per cent. leaving an additional income tax liability of 22.5 per cent. This additional 22.5 per cent. tax liability equates to an effective rate of income tax on the dividend actually received of 25 per cent. The same procedure applies to UK resident trustees of discretionary or accumulation trusts. From 6 April 2004, the rate applicable to trusts is 32.5 per cent. (previously it was 25 per cent.) so that trustees will have a further liability to UK income tax of 25 per cent.

Subject to certain exceptions for certain insurance companies which hold shares as trading stock, a UK corporate Shareholder receiving a dividend paid by the Company will not be taxable on the dividend. Since April 1999 pension providers have not been entitled to payment of tax credits by the Inland Revenue.

The ability of Shareholders who are not resident in the UK to claim repayment for any part of the tax credit will largely depend on the existence and terms of any double tax treaty between the UK and their country of residence. It should be noted that since April 1999 most shareholders who had previously been able to claim repayment of the tax credit have either ceased to be able to obtain such repayment or the amounts repayable are significantly reduced. Non UK resident Shareholders should consult their own tax advisers on the taxation of any dividends received, whether they can benefit from all or part of any tax credit and what relief or credit they may be entitled to in the jurisdiction in which they are resident.

(b) *Taxation of chargeable gains*

If a Shareholder disposes of all or any of the Ordinary Shares acquired in the Placing he or she may, depending on the Shareholder's particular circumstances, incur a liability to taxation on chargeable gains. Individuals, personal representatives and trustees, may be entitled to an annual exemption and taper relief, which will serve to reduce the chargeable gain. Companies are not entitled to taper relief but are due indexation allowance, which may also reduce the chargeable gain.

(c) *Stamp duty and stamp duty reserve tax*

- (i) Generally, no stamp duty or stamp duty reserve tax (“SDRT”) will be payable by cash subscribers on the issue to them of new Ordinary Shares pursuant to the Placing. The transfer of existing shares pursuant to the sale agreements referred to in 10.1.2 below to investors acquiring shares in the Placing is subject to either stamp duty or SDRT at the rate of 0.5 per cent. on the stampable consideration (rounded to the nearest £5 for stamp duty purposes). Normally stamp duty and SDRT are liabilities of the purchaser, however, any stamp duty or SDRT payable in respect of the transfer of the existing shares from the Selling Shareholders to the purchasers pursuant to this Placing will be borne by the sellers.
- (ii) Any subsequent transfer or sale of Ordinary Shares will generally give rise to a liability on the purchaser to ad valorem stamp duty currently at a rate of 0.5 per cent. of the stampable consideration paid rounded up to the nearest £5. An unconditional agreement to transfer such Ordinary Shares will be subject to SDRT at the same rate of the consideration payable in money or moneys worth (in pursuance of the agreement which gave rise to the charge to SDRT). However, when an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of that agreement the SDRT liability will be extinguished.
- (iii) There will be no stamp duty or SDRT on a transfer of Ordinary Shares into CREST where such a transfer is made for no consideration. A transfer of Ordinary Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable in money or money’s worth. CREST is obliged to collect SDRT on relevant transactions settled within the system.
- (iv) Special rules apply to agreements made by market makers in the ordinary course of their business, broker-dealers and certain other persons. Agreements to the transfer of Ordinary Shares to charities will not give rise to SDRT or stamp duty.
- (v) Special rules also apply where the shares are transferred or held by a depositary or clearance system.

(d) *VCT tax relief*

The Company has made an application to the Inland Revenue for clearance that the Company is a qualifying company for the purposes of the Venture Capital Trust (“VCT”) legislation. The Company has sought assurances from the Inland Revenue that the Ordinary Shares will be eligible shares for the purposes of section 842 AA (14) Income and Corporation Taxes Act 1988 and that the Ordinary Shares held by VCTs immediately following Admission will be “qualifying holdings” for the purposes of Schedule 28B Income and Corporation Taxes Act 1988. A positive response to that clearance application has been received.

The clearance sought relates only to the qualifying status of the Company and its shares and does not guarantee that any particular VCT will qualify for relief in respect of an acquisition of Ordinary Shares. The conditions for relief are complex and depend not only upon the qualifying status of the Company but upon certain factors and characteristics of the VCT concerned. VCTs who believe they may qualify for VCT reliefs should consult their own tax advisers regarding this.

The Company cannot guarantee or undertake to conduct its business, following Admission, in a way to ensure that the Company will continue to meet the requirements of section 293, section 297 and/or Schedule 28B Income and Corporation Taxes Act 1988.

10. Material Contracts

- 10.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this document and are or may be material:

10.1.1 The Flotation Agreement

Under an agreement made between the Company, the Directors and KBC Peel Hunt, dated 11 March 2005, KBC Peel Hunt has agreed:

- (a) to use reasonable endeavours to procure subscribers for 8,880,158 new Ordinary Shares. The Flotation Agreement provides, inter alia, for the payment by the Company to KBC Peel Hunt of a commission equal to 3 per cent. of the value at the Placing Price of all the shares subscribed under the Placing; and
- (b) on behalf of the Company, to submit to the London Stock Exchange an application for Admission and to act as the Company's nominated adviser in respect of such application.

The obligations of the parties under the Flotation Agreement are conditional upon certain conditions having been fulfilled (or waived by KBC Peel Hunt) by 9.00 a.m. on 16 March 2005, or such later date as may be agreed by KBC Peel Hunt and the Company, being no later than 30 March 2005. The agreement contains certain warranties by the Company and the Directors as to the accuracy of the information contained in this document and other matters relating to the Company and its business. Under the Flotation Agreement the Company shall pay to KBC Peel Hunt for its services an agreed fee and shall indemnify KBC Peel Hunt against all losses, costs, charges and expenses which KBC Peel Hunt may suffer or incur as a result of or attributable to the carrying out of its duties under the Flotation Agreement.

10.1.2 The Sale Agreements

Under separate agreements made between KBC Peel Hunt and the Selling Shareholders, dated 11 March 2005, KBC Peel Hunt has agreed to use reasonable endeavours to procure purchasers for 3,725,000 existing Ordinary Shares pursuant to the Placing. The Agreements provide, inter alia, for the payment by the Selling Shareholders to KBC Peel Hunt of a commission equal to 3 per cent. of the value at the Placing Price of all the shares sold under the Placing. The Selling Shareholders have accepted responsibility for the payment of UK stamp duty or stamp duty reserve tax in respect of the Sale Shares at the rate of 0.5 per cent.

The obligations of the parties under the Sale Agreements are conditional upon Admission. The Sale Agreements contain warranties by the Selling Shareholders as to their title to the Ordinary Shares the subject of the agreements, as well as the lock-in restrictions imposed on the Selling Shareholders.

10.1.3 ANT Software Limited, its Directors, certain existing shareholders and certain new investors in ANT Software Limited (the "New Investors") entered into a shareholders' agreement, dated 28 April 2004 (the "Shareholders' Agreement"), which set out the terms and conditions on which the New Investors would invest in the company and which terminated prior investment agreements in respect of it. Under the Shareholders' Agreement, the New Investors subscribed for 19,952,942 ordinary shares of 1p each in the capital of the company, at an aggregate price of £3,392,000. The Shareholders' Agreement gave each of Inflexion Partners Limited, Foresight Technology VCT plc and TriVest VCT plc (the "Venture Capital Companies") the right to appoint a director and gave each of Top Technology Ventures IV LP, Nordea Invest Fund Management A/S and PALLMALL Technology Ventures LP the right to appoint observers to the board of directors. The Shareholders' Agreement also prohibited the company from carrying out certain matters without the consent of at least two of the directors appointed by the Venture Capital Companies. The Shareholders' Agreement contains certain representations and warranties from the directors and the company to the New Investors in relation to the company and its business.

10.1.4 The Company, ANT Software Limited and each of the parties to the Shareholders' Agreement entered into a deed of amendment, dated 7 March 2005, for the purpose of amending the Shareholders' Agreement (the "Deed of Amendment"). The Deed of Amendment amended the

Shareholders' Agreement so that it did not terminate upon completion of the share exchange agreement referred to in paragraph 10.1.6 below, but instead on Admission.

10.1.5 ANT Software Limited entered into a deed of termination with the Venture Capital Companies, in respect of certain outstanding liabilities under the 2003 Investment Agreement, on 7 March 2005.

10.1.6 By an agreement between the Company and the shareholders of ANT Software Limited (the "Vendors") dated 7 March 2005, the Company purchased 12,629,099 ordinary shares of 5p each in the capital of ANT Software Limited (the "Sale Shares") from the Vendors. The consideration for the transfer of the Sale Shares was the allotment and issue by the Company to the Vendors of 12,629,097 Ordinary Shares (the "Consideration Shares"). The Vendors each gave warranties to the Purchaser as to their ownership of the relevant Consideration Shares.

10.1.7 On 7 March 2005 the Company established the EBT as a discretionary trust for the benefit of, amongst others, the employees and former employees of the Group. The main purpose of the EBT is to acquire and hold Ordinary Shares for the benefit of the beneficiaries of the EBT. The trustee of the EBT is an independent trust company based in Jersey (the "Trustee"). On 8 March 2005 the Trustee was allotted and issued 2,768,404 Ordinary Shares at a subscription price of 85p per Ordinary Share fully paid on issue and 8,706 Ordinary Shares at a subscription price of 95p per Ordinary Share fully paid on issue and on that date it also acquired 121,520 issued Ordinary Shares at an aggregate purchase price of £6 from two shareholders in the Company, Inflexion plc and ANT Employee Benefits Limited. The Trustee currently holds 2,898,630 Ordinary Shares and has agreed to apply these Ordinary Shares to satisfy options granted under the Old Scheme in respect of 2,725,910 Ordinary Shares. 171,200 Ordinary Shares held in the Trust are intended to be used to satisfy the options granted by the Trustee and referred to in paragraph 10.1.9.

10.1.8 On 7 March 2005 the holders of options granted under the Old Scheme and A L Caplin entered into option exchange agreements with the Company pursuant to which the option holders released their rights to acquire ordinary shares in ANT Software Limited in return for the grant to them by the Company of equivalent new options to acquire Ordinary Shares. In total new options were granted over 3,613,262 Ordinary Shares.

10.1.9 On 8 March 2005 the Trustee granted an option to S A Woodward to acquire 60,000 Ordinary Shares at an exercise price of 0.005p per share and an option to acquire 25,600 Ordinary Shares at an exercise price of 85p per share. On the same date, the Trustee granted an option to D A Fell to acquire 60,000 Ordinary Shares at an exercise price of 0.005p per share and an option to acquire 25,600 Ordinary Shares at an exercise price of 85p per share. All these options are exercisable at any time until 22 July 2009.

11. Other information

11.1 KBC Peel Hunt has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

11.2 Ernst & Young LLP has given and not withdrawn its written consent to the inclusion of their accountants' reports on the Company and ANT Software Limited in the form set out in Part III of this document and accepts responsibility for such reports in accordance with paragraph 45(i)(b)(iii) of Schedule 1 to the POS Regulations.

11.3 The total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, commissions, the costs of printing and the fees payable to the registrars) are estimated to amount to approximately £1.0 million (excluding applicable VAT).

11.4 Save as disclosed in this document, no person (other than a professional adviser referred to in this document or customer dealing with members of the Group) has:

- (a) received, directly or indirectly, from any member of the Group within 12 months (not otherwise disclosed in this document) preceding the application for Admission; or
- (b) entered into contractual arrangements to receive, directly or indirectly, from any member of the Group on or after Admission:
 - (i) fees totalling £10,000 or more;
 - (ii) securities in the Company with a value of £10,000 or more, calculated by reference to the price of the Placing Price; or
 - (iii) any other benefit with a value of £10,000 or more at the date of Admission.

11.5 The price of the Placing Shares represents a premium over nominal value of 121p per Ordinary Share.

11.6 Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the placing letters issued by KBC Peel Hunt until such time as the Placing and Admission Agreement becomes unconditional in all respects. If the Placing and Admission Agreement does not become unconditional in all respects by 9.00 a.m. on 16 March 2005, or such later date as the Company and KBC Peel Hunt may agree, being no later than 30 March 2005, application monies will be returned to the relevant applicant at the relevant applicant's sole risk without interest.

11.7 Pursuant to the Placing, 164,669 Ordinary Shares (representing approximately 0.7 per cent. of the enlarged issued share capital of the Company) have been made available to market makers, including KBC Peel Hunt.

12. Availability of this document

Copies of this document will be available to the public free of charge from the registered office of the Company, at Autonomy House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ, and from the offices of KBC Peel Hunt, at 111 Old Broad Street, London EC2N 1PH, during normal office hours, Saturdays and Sundays excepted, from the date of this document until the date which is one month following Admission.

11 March 2005

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act”	the Companies Act 1985
“Admission”	the admission of the Existing Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the Alternative Investment Market, a market operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange relating to AIM
“Amino”	Amino Communications Limited, a subsidiary of Amino Technologies Plc
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company
“Chunghwa Telecom”	Chunghwa Telecom and its subsidiary companies
“Company”	ANT plc
“Coship”	Coship Electronics Co. Ltd
“CREST”	the computerised system for trading shares in uncertificated form in the UK operated by CRESTCo
“CRESTCo”	CRESTCo Limited, the operator (as defined in The Uncertificated Securities Regulations 2001) of CREST
“EBT”	the ANT Employee Share Trust
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document
“Flotation Agreement”	the conditional agreement dated 11 March 2005, between the Company, the Directors and KBC Peel Hunt relating to Admission and the Placing, further details of which are set out in paragraph 10 of Part IV of this document
“Group” or “ANT”	the Company or its subsidiaries from time to time
“ISP”	Internet Service Provider
“KBC Peel Hunt”	KBC Peel Hunt Ltd
“London Stock Exchange”	London Stock Exchange plc
“Macromedia”	Macromedia Netherlands BV
“Option Schemes”	the ANT share option scheme and the ANT 2005 share option scheme
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Pace”	Pace Micro Technology Plc
“Placing”	the conditional placing by KBC Peel Hunt of the Placing Shares, pursuant to the Placing Agreements
“Placing Agreements”	together, the Flotation Agreement and the Sale Agreements

“Placing Price”	126 pence per Placing Share
“Placing Shares”	the 8,880,158 new Ordinary Shares and the 3,725,000 existing Ordinary Shares to be placed pursuant to the Placing
“POS Regulations”	the Public Offers of Securities Regulations 1995
“Sagem”	Sagem SA and its subsidiary companies
“Sale Agreements”	the conditional agreements each dated 11 March 2005, between the Company and the Selling Shareholders relating to the Placing, further details of which are set out in paragraph 10 of Part IV of this document
“Samsung”	Samsung Electronics Co. Limited
“Selling Shareholders”	Sir Charles Chadwyck-Healey, Inflexion Partners Limited, Pall Mall Technology Ventures LP and Trivest VCT plc
“Shareholder(s)”	holder(s) of Ordinary Shares from time to time
“Thomson”	Thomson Multimedia Inc

GLOSSARY OF TECHNICAL TERMS

The following technical terms are used in this document:

“HTML”	Hypertext Markup Language, the coded format language used for creating hypertext documents on the Internet and controlling how Internet pages appear
“IP”	Internet Protocol, a set of protocols developed to allow computers to share resources across a network, and adopted for use within local networks or over the Internet as a whole
“IPTV”	IP Television, television delivered using IP technology
“middleware”	software that mediates between an application program and a network
“MP3”	MPEG 1 Audio Layer 3, a compressed audio format
“MPEG”	Moving Picture Experts Group, a standard for digital video and audio compression
“OEM”	Original Equipment Manufacturer
“OMC”	Open Media Client software, owned by Alcatel
“operator”	a telecommunications company, internet service provider or similar organisation whose business is in the delivery of information and entertainment services to retail consumers
“PC”	personal computer
“port” or “porting”	the process whereby software is integrated onto a third party platform
“STB”	set top box
“telcos”	telecommunications companies
“W3C”	World Wide Web Consortium, an academic and industrial consortium devoted to the development of Web standards and technologies