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If you are in any doubt about the contents of this document or about the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, who is authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all of your Shares, please forward this document and the accompanying documents to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer is/was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain this document and the accompanying documents.



Dewhurst Plc

(registered in England and Wales under the Companies Act 1985 with registration number 160314)

Proposed Acquisition of Traffic Management Products Limited

Cancellation of Listing on the Official List

Notice of Extraordinary General Meeting

Admission to trading on AIM

Financial Adviser

Seymour Pierce Limited

Your attention is drawn to the letter from the Chairman of Dewhurst on page 3 of this document, recommending you to vote in favour of the Resolutions. You should read this document in its entirety and consider whether to vote in favour of the Resolutions in light of the information contained in this document.

The Directors of Dewhurst, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of an extraordinary general meeting of Dewhurst, to be held at Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT at 11.00 a.m. on 24 January 2006 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Shareholders are requested to complete and return the Form of Proxy whether or not they intend to be present at the meeting. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned by post or by hand so as to reach the Registrars as soon as possible and, in any event, by no later than 11.00 a.m. on 22 January 2006. Return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting.

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EXPECTED TIMETABLE FOR THE PROPOSALS

Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 22 January 2006
Extraordinary General Meeting	11.00 a.m. on 24 January 2006
Completion of the Acquisition	24 January 2006
De-listing of the Ordinary Shares from the Official List	22 February 2006
Admission to trading on AIM	22 February 2006

PART I

LETTER FROM THE CHAIRMAN



Directors:

Richard Dewhurst (*Chairman*)
Jared Sinclair (*Finance Director*)
David Dewhurst (*Group Managing Director*)
Mel White (*Executive Director*)
Peter Tett (*Non-executive Director*)
Richard Young (*Executive Director*)

Registered address:

Melbourne Works
Inverness Road
Hounslow
Middlesex TW3 3LT

6 January 2006

To Ordinary Shareholders, and for information only, to A Shareholders

Dear Shareholder

PROPOSED ACQUISITION OF TRAFFIC MANAGEMENT PRODUCTS LIMITED, CANCELLATION OF LISTING ON THE OFFICIAL LIST AND ADMISSION TO TRADING ON AIM

1. INTRODUCTION

Your Board announced on 22 December 2005 that the Company has conditionally agreed to acquire the entire issued share capital of Traffic Management Products Limited (TMP Limited) for a maximum consideration of £6.462 million. TMP Limited is a provider of products to the highways and parking traffic industries.

In addition, the Company is seeking the cancellation of the listing of its Ordinary Shares and A Non Voting Ordinary Shares on the Official List and will apply for its Ordinary and A Non Voting Ordinary Shares to be admitted to trading on AIM.

The Acquisition is classified as a class 1 transaction pursuant to the Listing Rules and is therefore conditional upon Ordinary Shareholder approval. Ordinary Shareholder approval will also be sought for the Cancellation. The resolution for the Cancellation must be carried by a majority of not less than 75 per cent. of the holders of Ordinary Shares (being entitled to do so) who vote in person or by proxy. The Acquisition and Cancellation are not conditional on each other. Shareholder approval is not required for the Admission.

The purpose of this document is to provide you with details of the Acquisition, to explain why the Directors believe that the Proposals are in the best interests of the Company and its Shareholders as a whole, and to seek Ordinary Shareholder approval for the Acquisition and Cancellation. A notice convening an extraordinary general meeting of the Company, at which the Resolutions are to be proposed, is set out at the end of this document.

2. THE ACQUISITION

The Company has entered into a conditional share purchase agreement with the shareholders of TMP Limited to acquire the entire issued share capital of TMP Limited for a maximum consideration of £6.462 million to be satisfied in cash. £4.212 million is payable on completion and the remaining deferred consideration is payable as follows:

- An amount equal to two times the excess of adjusted EBITDA of TMP Limited over £385,000 for the period 1 January 2005 to 31 December 2005 (subject to maximum amount of £250,000)

payable in cash within ten working days following agreement or determination of such adjusted EBITDA; and

- An amount equal to two and one half times the excess of adjusted EBITDA of TMP Limited above £758,000 for the period 1 January 2006 to 31 December 2006 (subject to a maximum amount of £2 million) payable in cash within ten working days following agreement or determination of such adjusted EBITDA.

TMP Limited had gross assets of £834,000 and net assets of £428,000 as at 31 December 2004 and reported profits before taxation of £409,000 in the year to 31 December 2004. This financial information has been extracted without material adjustment from the financial information on TMP Limited contained in section B of Part III of this document. TMP Limited results will be consolidated into the group accounts going forward as TMP Limited will be a wholly owned subsidiary of the Group. The Directors believe that the Acquisition will be earnings enhancing for the Company.

The current managing director of TMP Limited, Chris Nicklin will remain following completion of the Acquisition. Chris has been with TMP Limited for six years and has been instrumental in growing the business to its present size. He has helped identify new product opportunities, which have developed the business from its original niche in the parking sector into the wider highways industry.

The Group has considerable experience selling to public sector markets in the UK. Dewhurst's vandal resistant pushbuttons are widely specified by local authorities as are LiftStore's control and monitoring systems. The Acquisition allows us to expand into a parallel market with local authority traffic departments. As a key supplier of highways safety and parking products used by the DVLA and various local authorities, TMP Limited provides a complementary addition to our business.

3. INFORMATION ON TMP LIMITED

Overview

TMP Limited produces and supplies traffic and parking management products (signs, speed bumps, wheel clamps, etc.) and passive highways safety products (flexible and reflective signs, barriers, posts etc.). TMP Limited sub-contracts the manufacturing of the products whilst maintaining final assembly and testing in-house, thereby maintaining quality control over its products.

Products and services

TMP Limited's products can be broadly categorised into two sections:

Parking products include:

- Parking/Traffic Control – car park signage, barriers, cones, posts, bollards and traffic separators
- Enforcement & Security – clamps, motorbike security, padlocks, cycle stands and CCTV
- Customer Services – 'GoJak' (skates allowing the removal of obstructing vehicles) and Power Start (a professional system to start vehicles that have a flat battery)
- Parking Extras – speed bumps, grit bins, convex mirrors, curb and corner buffers and pay-on-foot machines
- Signs & Displays – variable message and warning signs

And highways products include:

- Passive Safety Signage – these are IRS (Impact Recovery Systems, Inc.) spring-based systems (a patented spring-loaded base system that restores the sign to its original position after impacts of up to 45 mph); they include TMP Flecta (a non-illuminated highly reflective sign, which replaces the traditional lit bollards), TMP Flexichev (replaces chevrons in particularly vulnerable places), and TMP Hazard Markers (replacement for verge posts designed to handle multiple impacts)
- Passive Safety Columns – lighting columns and traffic posts approved to BS EN12767 at the highest energy absorption level
- Other products include road barriers, cycle lane markers, tactile paving and a range of bollards.

TMP Limited's customer base includes local authorities, contractors for the Highways Agency, Vinci Park UK and NCP.

4. CANCELLATION OF LISTING AND ADMISSION TO TRADING ON AIM

The Directors believe that there are a number of benefits for the Company in transferring its listing to AIM from the Official List. AIM is more appropriate for a company of Dewhurst's size; it offers the advantage of greater flexibility, particularly with regard to corporate transactions and related costs. In addition, there are possible beneficial tax consequences for individual Shareholders.

The AIM Rules require that the Company appoints a nominated adviser and broker before its shares are admitted to trading on AIM and Seymour Pierce has agreed to act in these roles.

The Board is aware that there may be circumstances in which certain Shareholders may be prohibited from investing in AIM shares: AIM shares are not allowed to be held in a personal equity plan or an individual savings account. Such Shareholders are advised to review their position in this respect as soon as possible and take independent professional advice if necessary.

If the Cancellation is approved, the Company intends to apply for the cancellation of the listing of its Ordinary Shares and A Non Voting Ordinary Shares on the Official List. Further, application will be made for the Ordinary Shares and A Non Voting Ordinary Shares to be admitted to trading on AIM and it is expected that Admission will be effective on 22 February 2006, immediately following the Cancellation.

5. CURRENT TRADING AND PROSPECTS OF DEWHURST AND THE ENLARGED GROUP

In the Company's final results announced on 6 December 2005, I reported another record year for the Company with sales up 2.5 per cent. to £30 million (2004 £29.3 million) and profit before taxation up 4.6 per cent. to £3.5 million (2004 £3.3 million). These numbers have been extracted without material adjustment from the Company's annual report and accounts for the year ended 30 September 2005. These figures were primarily achieved through the effect of the acquisition of Lift Material in Australia together with increased interest earned on the Company's higher cash balances. I have stated in the annual report that the most significant prospect for growth of the business is currently through acquisitions. This is why we have been actively searching out opportunities and the reason for the Acquisition.

Trading since the year end has been in line with Directors expectations. Operating performance and outlook are in line with the expectations set out in the chairman's statement and operating review contained in the annual report and accounts recently published and distributed to Shareholders.

Trading at TMP Limited in the year ending 31 December 2005 has been at a lower level than the previous year by approximately 5 per cent. However, prospects for TMP Limited are positive and 2006 sales are projected to show growth. In addition the Directors expect there should be cost savings of at least £75,000 as a result of TMP Limited becoming part of the Enlarged Group.

The Company operates in a competitive market with increasing pressure on prices. Dewhurst has however achieved significant efficiency improvements in recent years and has established cheaper sources of supply in order to remain competitive. The Company will continue to look for further gains in these areas. The market in which the Enlarged Group operates is, in the opinion of the Directors, fairly steady with no significant trends in terms of sales other than a peak in March corresponding with local authorities' year ends and a slower two months in December and January.

6. EXTRAORDINARY GENERAL MEETING

At the end of this document you will find a notice convening an extraordinary general meeting of the Company which is to be held at 11.00 a.m. on 24 January 2006 at Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT. At this meeting resolutions will be proposed to:

1. Approve the Acquisition; and
2. Approve the Cancellation.

7. DIRECTORS AND OTHER SHAREHOLDERS INTENTIONS

The Company has received undertakings to vote in favour of the Resolutions from the Directors who in aggregate hold 480,833 Ordinary Shares representing 13.5 per cent. of the Company's issued Ordinary Shares. Further undertakings to vote in favour of the Resolutions have been received from other Shareholders who in aggregate hold 437,095 Ordinary Shares, which represent 12.2 per cent. of the Company's issued Ordinary Shares. In addition, undertakings to vote in favour of the Resolution to approve the Acquisition have been received from other Shareholders who in aggregate hold 1,179,320 Ordinary Shares, which represent 33.0 per cent. of the Company's issued Ordinary Shares.

8. ACTION TO BE TAKEN IN RESPECT OF THE EGM

Ordinary Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you propose to attend the EGM in person, you are asked to complete the Form of Proxy and return it in accordance with the instructions printed on it so as to be received by Capita Registrars, Proxies department PO Box 25, Beckenham, Kent BR3 4BR as soon as possible but in any event by no later than 11.00 a.m. on 22 January 2006. Completion of the Form of Proxy will not preclude Ordinary Shareholders from attending and voting in person at the meeting should they so wish.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Part V of this document.

10. RECOMMENDATION

Your Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend Ordinary Shareholders to vote in favour of the Resolutions, as they have undertaken to do in respect of their own beneficial holdings, amounting to approximately 13.5 per cent. of the total issued Ordinary Shares of the Company.

Yours sincerely,

Richard Dewhurst
Chairman

PART II

RISK FACTORS

The Acquisition and the Admission are subject to a number of risks. Accordingly, Shareholders should consider carefully all of the information set out in this document, prior to making any decisions on whether or not to vote in favour of the Resolutions. Additional risks and uncertainties, not presently known to the Directors or that the Directors currently consider to be immaterial, may have an adverse effect on the Company and/or TMP Limited and/or the Enlarged Group.

The Company's and/or the Enlarged Group's business, financial condition or results of operations could be materially and adversely affected by any of the risks described below. In such case, the market price of the Ordinary Shares and A Non Voting Ordinary Shares may decrease due to any of these risks and investors may lose all or part of their investment.

RISK FACTORS SIGNIFICANT TO DEWHURST

- The market in which the Company currently operates (electrical control equipment to the lift, keypad and rail industries) is a competitive market. Consequently, increasing competition in the market makes the existing business vulnerable to market share loss.
- The Company's business is dependent on the supply of raw materials (such as plastics, steel and electronic components), for which there are a number of suppliers. Movements in the price of raw materials impact on the cost of production incurred by Dewhurst. It may not always be possible to pass cost increases on to customers in the form of higher prices.
- Dewhurst conducts business in the UK, USA, Australia and Canada and has subsidiaries situated in those countries. As sales in the above countries are made in their local currency and the Company's consolidated accounts are in UK Pounds Sterling, the Company is open to exchange rate fluctuations, which may have a material impact on the Company's profits.
- Although there are some barriers to entry into the UK, US, Australian and Canadian markets, it is possible that competitors from developing countries such as China and India will enter the market. These competitors are likely to have a lower cost base than Dewhurst due to the nature of their local economies.
- The success of the company is dependent upon the expertise of the Directors and key members of staff and their relationships with customers. If they were to cease work for the Company then the business may be adversely affected.
- The majority of the Company's revenues are not based on long-standing contracts. This means that, from time to time, the Company may see fluctuations in the value of demand. This may have an impact on the Company's profitability.

RISK FACTORS SIGNIFICANT TO TMP LIMITED

- The market in which TMP Limited currently operates (assembling and supplying traffic management solutions) is a competitive market. Consequently, increasing competition in the market makes the existing business vulnerable to market share loss.
- TMP Limited subcontracts its manufacturing processes. As a consequence movement in manufacturing costs may be passed onto TMP Limited. Although in the past TMP Limited has been reasonably successful in passing these onto customers through increased prices, this may not be the case in the future.
- Despite the barriers of entry into the UK, it is possible that competitors from developing countries such as China and India will enter the market.

- The success of the company is dependent upon the expertise of key members of staff and their relationships with customers. If they were to cease work for the Company then the business may be adversely affected.
- TMP Limited operates in a highly regulated market. Road signage is regulated by the Department of Transport. Some of TMP Limited's products have to comply with Highways Agency Standards and some, such as clamps, have to be registered with the Home Office. Changes in regulations may have an adverse impact on the business of TMP Limited going forward.
- Any loss of key contracts may have an adverse effect on TMP Limited's financial condition.

PART III

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON TMP LIMITED

A: Accountants Report on TMP Limited



BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
Emerald House
East Street
Epsom, Surrey
KT17 1HS

The Directors
Dewhurst Plc
Inverness Road
Hounslow
Middlesex
TW3 3LT

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8EL

6 January 2006

Dears Sirs

Traffic Management Products Limited ("TMP Limited")

Introduction

We report on the financial information (the "financial information") set out in Section B of Part III. This financial information has been prepared for inclusion in the Circular of Dewhurst Plc (the "Company") dated 6 January 2006 (the "Circular") on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by Listing Rule 13.5.21 and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

As described in Section B of Part III, the directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with applicable UK accounting standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Circular and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of 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 Circular, a true and fair view of the state of affairs of TMP Limited as at the dates stated and of its profits, cash flows and changes in equity for the years then ended in accordance with the basis of preparation set out in Note 1 to the financial information and has been prepared in accordance with applicable UK accounting standards as described in Note 1 to the financial information and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

13.5.22(1)
13.5.22(2)
13.5.23

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

B: Financial Information on TMP Limited

The directors of the Company are responsible for preparing the financial information table (the “financial information”) set out below on the basis of preparation set out in Note 1 to the financial information and in accordance with applicable UK accounting standards.

13.5.4(1)
13.5.13(1)
13.5.14(1)
13.5.18(2)

Profit and loss accounts

	Notes	Year ended 31 December		
		2002 £'000	2003 £'000	2004 £'000
Turnover	1	1,483	2,336	2,405
Cost of sales		(737)	(1,160)	(1,210)
Gross profit		746	1,176	1,195
Administrative expenses		(539)	(620)	(789)
Operating profit		207	556	406
Write off of irrecoverable associated company loan		–	(74)	(8)
Profit on ordinary activities before interest		207	482	398
Interest receivable and similar income	5	1	4	11
Profit on ordinary activities before taxation	2	208	486	409
Taxation on profit on ordinary activities	6	(52)	(190)	(128)
Profit on ordinary activities after taxation		156	296	281
Dividends		(40)	(80)	(425)
Retained profit/(loss) for the year	13	116	216	(144)

None of TMP Limited’s activities was acquired or discontinued during the above financial years.

TMP Limited has no recognised gains or losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profits shown above and their historical equivalents.

Balance sheets

	Notes	As at 31 December		
		2002 £'000	2003 £'000	2004 £'000
Fixed assets				
Tangible assets	7	25	12	14
Current assets				
Stock	9	131	168	210
Debtors	10	439	852	313
Cash at bank and in hand		101	130	297
		671	1,150	820
Creditors: amounts falling due within one year	11	(340)	(590)	(406)
Net current assets		331	560	414
Total assets less current liabilities		356	572	428
Capital and reserves				
Called up share capital	12	–	–	–
Profit and loss account	13	356	572	428
Shareholders' funds	14	356	572	428

13.5.18(1)

Cash flow statements

	Notes	Year ended 31 December		
		2002 £'000	2003 £'000	2004 £'000
Net cash inflow from operating activities	16	97	515	430
Returns on investments and servicing of finance				
Interest received		1	4	11
		98	519	441
Taxation				
UK corporation tax paid		(44)	(51)	(277)
		54	468	164
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(14)	(13)	(17)
Disposal of tangible fixed assets		–	7	1
		40	462	148
Acquisitions and disposals				
Purchase of investment in related company		–	–	7
Sale of investment in related company		–	–	(10)
		40	462	145
Equity dividends paid		(40)	(80)	(425)
Net cash inflow before financing		–	382	(280)
Financing				
Loans to related companies		(21)	(353)	447
Director's current account		2	–	–
		(19)	29	167
(Decrease)/increase in cash in the year		120	101	130
Opening cash position		101	130	297
Closing cash position		101	130	297

13.5.18(3)

NOTES TO THE FINANCIAL INFORMATION

1. Accounting policies

The financial information has been prepared under the historical cost basis of accounting.

13.5.18(5)

Turnover

Turnover represents amounts receivable for goods and services excluding VAT arising wholly within the United Kingdom.

Goodwill

Goodwill representing the excess of the purchase price over the fair value of the net assets of businesses acquired is amortised by equal annual instalments over its expected useful economic life of 5 years.

Stock

Stock is valued at the lower of cost and net realisable value.

The cost of stock is determined on the first in, first out basis. Net realisable value is the price at which stock can be realised in the normal course of business.

Depreciation

Depreciation is not charged on expenditure on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off their full costs less estimated residual value over their expected useful lives at the following rates:

Plant and machinery	20 – 50% straight line
Fixtures, fittings and equipment	20 – 50% straight line
Motor vehicles	25% straight line

Deferred taxation

Deferred tax is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial information, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

Pension costs

TMP operates a defined contribution scheme, the assets of which are held separately from those of TMP in an independently administered fund. Contributions to this scheme are charged to the profit and loss as they become payable.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Research and development

Research and development expenditure is written off as it is incurred, with the exception of certain machinery and equipment which is capitalised and depreciated over its useful life on the normal basis.

Hire purchase and lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due.

2. Profit on ordinary activities before tax

	Year ended 31 December			13.5.18(6)
	2002 £'000	2003 £'000	2004 £'000	
This is stated after charging:				
Depreciation	19	14	14	
Amortisation of goodwill	1	–	–	
Rentals under operating leases				
– land and buildings	34	34	47	
Hire of plant and machinery	13	–	–	
Auditors' remuneration	6	7	7	
Directors' emoluments	257	292	321	
Loss on disposal of tangible fixed assets	–	5	–	
Loss on disposal of investments	–	–	3	
	<u> </u>	<u> </u>	<u> </u>	

3. Employees

	Number	Number	Number
Average number of employees during the year	11	12	15
	<u> </u>	<u> </u>	<u> </u>

Staff costs (including directors) consist of:

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
Wages and salaries	390	440	505
Social security costs	44	55	63
Pension costs	13	12	14
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

All pension contributions were made to defined contribution schemes.

4. Directors' remuneration

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
Directors' emoluments			
Emoluments	257	292	321
	<u> </u>	<u> </u>	<u> </u>
Highest paid director			
Emoluments	65	70	77
Contributions to defined contribution pension scheme	3	3	4
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>
Number of directors who were members of defined contribution pension schemes	Number	Number	Number
Directors	4	4	4
	<u> </u>	<u> </u>	<u> </u>

5. Interest receivable and similar income

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
Bank interest receivable	1	4	11

6. Taxation

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
UK corporation tax	(52)	(170)	(128)
Adjustment for prior years	–	(20)	–
Current tax charge	<u>(52)</u>	<u>(190)</u>	<u>(128)</u>
Factors affecting the tax charge for the year:			
Profit on ordinary activities before taxation	208	486	409
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax (2002: 30% 2003: 30% 2004: 30%)	(62)	(146)	(123)
Non-deductible expenses	(2)	(3)	(5)
Depreciation add back	(6)	(4)	(4)
Capital allowances	5	6	4
Adjustments to previous provisions	–	(20)	–
Loss on disposal of fixed assets	–	(1)	–
Write-off of related company loan	–	(22)	–
Other tax adjustments	13	–	–
	10	(44)	(5)
Current tax charge	<u>(52)</u>	<u>(190)</u>	<u>(128)</u>

7. Tangible fixed assets

	2002 £'000	2003 £'000	2004 £'000
Cost:			
At 1 January	73	87	66
Additions	14	13	17
Disposals	–	(34)	(1)
At 31 December	<u>87</u>	<u>66</u>	<u>82</u>
Depreciation:			
At 1 January	43	62	54
Charge for the year	19	14	14
Disposals	–	(22)	–
At 31 December	<u>62</u>	<u>54</u>	<u>68</u>
Net book value:			
At 31 December	<u>25</u>	<u>12</u>	<u>14</u>

8. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 January 2002 and 31 December 2002	9
Amortisation	
At 1 January 2002	(8)
Provision for the year	(1)
At 31 December 2002	<u>–</u>
Net book value	
At 31 December 2002, 2003 and 2004	<u>–</u>

9. Stock

	As at 31 December		
	2002 £'000	2003 £'000	2004 £'000
Stock	<u>131</u>	<u>168</u>	<u>210</u>

10. Debtors

	As at 31 December		
	2002 £'000	2003 £'000	2004 £'000
Trade debtors	308	367	256
Other debtors	<u>131</u>	<u>485</u>	<u>57</u>
	<u>439</u>	<u>852</u>	<u>313</u>

All amounts shown under debtors fall due for payment within one year.

Other debtors include £95,122 owed by TMP Parkover Limited at 31 December 2002 and £448,641 owed by Spaceover Limited at 31 December 2003. Both these companies are related to TMP Limited by virtue of common control.

The following director had an interest free loan during 2002. The movement on this loan is as follows:

	Amount Outstanding 2002 £'000	Maximum in year £'000
P J Watts	<u>–</u>	<u>2</u>

11. Creditors: amounts falling due within one year

	As at 31 December		
	2002 £'000	2003 £'000	2004 £'000
Trade creditors	209	282	301
Taxation and social security	99	259	84
Other creditors	32	49	21
	<u>340</u>	<u>590</u>	<u>406</u>

Other creditors include £5,198 owed to T4 Media Limited at 31 December 2002 and 2003.

12. Called-up share capital

	As at 31 December		
	2002 £	2003 £	2004 £
Authorised equity shares			
990 Ordinary Class A shares of £1 each	990	990	990
10 Ordinary Class B shares of £1 each	10	10	10
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

	As at 31 December		
	2002 £	2003 £	2004 £
Allotted, called up and fully paid equity shares:			
90 Ordinary Class A shares of £1 each	90	90	90
10 Ordinary Class B shares of £1 each	10	10	10
	<u>100</u>	<u>100</u>	<u>100</u>

The Class B shares are entitled to the same rights and responsibilities as the Class A shares except that they are non-voting.

13. Reserves

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
<i>Profit & loss account</i>			
Beginning of the year	240	356	572
Retained profit/(loss) for the year	116	216	(144)
End of the year	<u>356</u>	<u>572</u>	<u>428</u>

14. Reconciliation of movement in shareholders' funds

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
Profit for the year	156	296	281
Dividends	(40)	(80)	(425)
Net addition/(depletion in) to shareholders' funds	116	216	(144)
Opening shareholders' funds	240	356	572
Closing shareholders' funds	356	572	428

Shareholders' funds are fully attributable to equity interests.

15. Lease commitments

TMP Limited's commitments for rental payments under operating leases payable are as follows:

	As at 31 December					
	2002		2003		2004	
	Land and buildings £'000	Other operating leases £'000	Land and buildings £'000	Other operating leases £'000	Land and buildings £'000	Other operating leases £'000
Operating leases which expire:						
Within one year	19	13	19	15	19	23
In two to five years	76	–	76	–	57	–
After five years	19	–	–	–	–	–
	114	13	95	15	76	23

16. Reconciliation of operating profit to net cash flow from operating activities

	Year ended 31 December		
	2002 £'000	2003 £'000	2004 £'000
Operating profit	207	482	398
Depreciation and amortisation	20	14	14
Loss on disposal of fixed assets/investments	–	5	3
(Increase)/decrease in stock	(64)	(37)	(42)
(Increase)/decrease in debtors	(71)	(60)	92
Increase/(decrease) in creditors	5	111	(35)
Net cash inflow from operating activities	97	515	430

17. Related party transactions

TMP Limited provided services to TMP Ticketboy Limited; a company under common control. The total charge for services provided during the year to 31 December 2002 was £193,875; 2003: £137,305 and 2004: £159,948. The amount owed to TMP Limited by TMP Ticketboy Limited at 31 December 2002 was £18,177; 2003: £78 and 2004: £2,306.

At 31 December 2002 and 2003, £5,198 was owed to T4 Media Limited, a company under common control. At 31 December 2004 £172 was owed to TMP Limited by T4 Media Limited.

TMP Limited owed M Pieters, a director of TMP Limited, £1,228 at 31 December 2002, 2003 and 2004.

Services were provided by TMP Limited to TMP Parkover Limited a company in which directors, P J Watts and P J Daniels have an interest. The total charge for services provided during the year to 31 December 2002 was: £nil; 2003: £3,685 and 2004: £nil. TMP Limited was owed by TMP Parkover Limited £95,122 at 31 December 2002, 2003: £nil and 2004: £nil.

TMP Limited provided services to Spaceover Limited, a company under common control. The total charge for services provided during the year to 31 December 2002 was: £nil, 2003: £70,404 and 2004: £nil. At the end of each year the following amounts was owed by Spaceover Limited to TMP Limited 2002: £nil, 2003: £448,641 and 2004: £nil.

During 2004, TMP Limited acquired a 10 per cent. interest in Spaceover Limited, a company under common control for £10,000. This interest was disposed of during the same year for £6,700.

In 2002, P W Consultancy, of which P J Watts, a director, is a partner, received £24,934 in respect of consultancy services provided during the year.

In 2002, an amount of £3,000 was paid to P J Daniels, a director, in respect of the provision of office accommodation and warehousing.

PART IV

PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Enlarged Group following the Acquisition has been prepared for illustrative purposes only to provide information about the impact of the Acquisition on the Group and because of its nature, addresses a hypothetical situation and, therefore does not represent the actual financial position or results of the Enlarged Group. It has been prepared on the basis that the Acquisition was undertaken as at 30 September 2005 and on the basis set out in the notes:

	<i>Adjustments</i>			
	<i>The Group</i>	<i>TMP Limited</i>		<i>Pro forma</i>
	<i>As at 30</i>	<i>As at 31</i>		<i>net assets</i>
	<i>September</i>	<i>December</i>	<i>Consolidation</i>	<i>of the</i>
	<i>2005</i>	<i>2004</i>	<i>adjustment</i>	<i>Enlarged</i>
	<i>(note 1)</i>	<i>(note 2)</i>	<i>(note 3)</i>	<i>Group</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets				
Intangible assets	1,371	–	3,784	5,155
Tangible assets	2,911	14	–	2,925
	<u>4,282</u>	<u>14</u>	<u>3,784</u>	<u>8,080</u>
Current assets				
Stock	3,778	210	–	3,988
Debtors	5,726	313	–	6,039
Cash at bank & short term deposits	6,438	297	(4,212)	2,523
	<u>15,942</u>	<u>820</u>	<u>(4,212)</u>	<u>12,550</u>
Creditors: amounts falling due within one year	<u>(4,373)</u>	<u>(406)</u>	<u>–</u>	<u>(4,779)</u>
Net current assets	<u>11,569</u>	<u>414</u>	<u>(4,212)</u>	<u>7,771</u>
Provisions for liabilities and charges	<u>(200)</u>	<u>–</u>	<u>–</u>	<u>(200)</u>
Net assets	<u><u>15,651</u></u>	<u><u>428</u></u>	<u><u>(428)</u></u>	<u><u>15,651</u></u>

Notes:

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Group have been extracted without material adjustment from the Company's annual report and accounts for the year ended 30 September 2005.
2. The net assets of TMP Limited as at 31 December 2004 have been extracted without material adjustment from the financial information set out in Section B of Part III of this document.
3. This adjustment reflects the acquisition of 100% of TMP Limited for the initial cash consideration of £4.212 million. No adjustment has been made for any deferred consideration that may become payable. Goodwill has been calculated as being purchase consideration less the net tangible assets of TMP Limited at 31 December 2004 and exclude costs relating to the Acquisition.
4. No adjustments have been made to reflect the trading results of the Group since 30 September 2005 or TMP Limited since 31 December 2004.



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Emerald House
East Street
Epsom, Surrey
KT17 1HS

BDO Stoy Hayward
Chartered Accountants

The Directors
Dewhurst Plc
Iverness Road
Hounslow
TW3 3LT
United Kingdom

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8EL

6 January 2006

Dear Sirs

Dewhurst Plc (the “Company”)
Pro forma financial information

We report on the pro forma statement of net assets (the “Pro Forma Financial Information”) set out in Part IV of the Circular dated 6 January 2006 which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed acquisition of Traffic Management Products Limited (“TMP Limited”) might have affected the financial information presented, on the basis of accounting policies adopted by the Company in preparing the financial statements for the year ended 30 September 2005.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro Forma Financial Information, in accordance with paragraph 20.2 for Annex I of the Prospectus Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

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

Basis of opinion

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

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

BDO Stoy Hayward LLP

PART V

ADDITIONAL INFORMATION

1. Directors' Interests in Dewhurst Plc

- (a) As at the date of this document, the interests (all of which are beneficial) of the Directors and the senior managers in Shares which (in the case of the interests of the Directors) have been notified to the Company in accordance with Sections 324 or 328 of the Act (or which are required pursuant to Section 325 of the Act to be entered in the register referred to in that Section) including the interests of all persons connected with the Directors (within the meaning of Section 346 of the Act) which would, if the connected person were a director, be required to be disclosed pursuant to those provisions of the Act (to the extent known or which can with reasonable due diligence be ascertained by the relevant Director), are as follows:

	Ordinary Shares		A Non Voting Ordinary Shares		<small>Anx 1 Item 17.2</small>
R Dewhurst	494,333	13.84%	123,666	1.97%	
D Dewhurst	419,595	11.75%	76,836	1.22%	
J Sinclair	1,000	0.03%	–	–	
M White	1,000	0.03%	–	–	
R Young	1,000	0.03%	–	–	
P Tett	1,000	0.03%	–	–	

- (b) As at the date of this document, there are no outstanding options over Shares.

2. Other Major Interests in Dewhurst Plc

- (a) In so far as is known to the Company, the persons, other than the Directors and senior managers, who as at the date of this document are directly or indirectly interested in 3 per cent. or more of the Company's current issued share capital (being a notifiable interest pursuant to Section 198 of the Act) are as follows:

	Ordinary Shares		A Non Voting Ordinary Shares		<small>Anx 1 Item 18.1</small>
A Dewhurst	370,000	10.36%	–	–	
V Dewhurst	285,000	7.98%	344,750	5.49%	
R C Greig Nominees Ltd	213,000	5.97%	–	–	
M Meredith	190,208	5.33%	–	–	
E Dewhurst	175,333	4.91%	–	–	
R McAlister	158,779	4.45%	197,628	3.15%	
J Ridley	126,000	3.53%	–	–	
Discretionary Unit Fund	110,000	3.08%	410,000	6.53%	
HSBC Global Custody Nominee (UK) Ltd	36,000	1.01%	1,501,200	23.90%	

- (b) The A Non Voting Ordinary Shares do not entitle the holders to receive notice of, or to attend or vote at, any general meetings of the Company.

3. Legal and Arbitration Proceedings

Neither the Company nor any other member of the Group is currently involved, nor has it been involved in the previous 12 months, in any governmental, legal or arbitration proceedings which may have or have had in the recent past a significant effect on the Group's financial position or profitability nor (so far as the Directors are aware) are any such proceedings pending or threatened.

TMP Limited is not currently involved, nor has it been involved in the previous 12 months, in any governmental, legal or arbitration proceedings which may have or have had in the recent past a significant effect on TMP Limited's financial position or profitability nor (so far as the Directors are aware) are any such proceedings pending or threatened.

4. Significant Change

There has been no significant change in the financial or trading position of the Group since 30 September 2005 being the end of the last financial period for which audited financial information has been published.

There has been no significant change in the financial or trading position of TMP Limited since 31 December 2004 being the end of the financial period covered by the accountants' report in Part III of this document.

5. Material Contracts

Dewhurst Plc

Anx 1
Item 22

The following are all of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within two years immediately preceding the date of this document or are other contracts that contain provisions under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

- (a) By a share purchase agreement (the “SPA”) dated 21 December 2005 made between P Daniels, S Daniels, Thalassa Limited, PJ Watts, CT Nicklin and CA Hunt (the “Vendors”) and M Pieters (1) and the Company (2) the Vendors have agreed to sell, and Company has agreed to, acquire the entire issued share capital of TMP Limited. The SPA is conditional upon the passing of resolution 1 set out in the notice of EGM at the end of this document. The consideration for the acquisition comprises £4,212,000 payable in cash at completion of the SPA and deferred consideration to be satisfied in cash of an amount equal to two times the excess of adjusted EBITDA of TMP Limited over £385,000 (subject to a maximum amount of £250,000) for the period 1 January 2005 to 31 December 2005 and an amount equal to two and one half times the excess of adjusted EBITDA of TMP Limited over £758,000 (subject to a maximum amount of £2 million) for the period 1 January 2006 to 31 December 2006. The deferred consideration will be payable within 10 working days of its agreement or determination. The deferred consideration will be guaranteed by National Westminster Bank plc. The directors of TMP Limited (some of whom are also Vendors) have given certain warranties and tax indemnities in relation to TMP Limited which are customary for a transaction of this nature, and in relation to this document, in each case on a several basis but on the basis that their aggregate liability is capped at the total consideration payable under the SPA. Claims in the case of tax matters must be made within seven years of completion, and with respect to non tax matters within three months after delivery of the TMP Limited’s audited accounts for the financial year ending 31 December 2006. The Vendors and M Pieters have entered into non competition and non solicitation covenants for agreed periods after completion of the acquisition.
- (b) By an agreement (the “Lift Materials Agreement”) dated 8 June 2005 made between Lift Materials Australia Pty Limited (“Lift Materials”) (a subsidiary of the Company) (1) and Lisram Pty Limited (“Lisram”) (2), Lift Materials acquired the business of the sale of elevator components and associated products carried on by Lisram from outlets located in Sydney and Perth, Australia, together with related assets. The purchase price payable under the Lift Materials Agreement, based on a combination of the tax written down values of acquired plant and equipment, cost prices of acquired inventory and a formula based on the adjusted net profits of the business for each of the three financial years ended on 30 June, 2003, 2004 and 2005, was Australian \$2.1 million which has been paid in full in cash. Lisram has given warranties and indemnities in relation to the business and assets acquired by Lift Materials which are customary for a transaction of this nature. Lisram has also entered into non-competition and non-solicitation covenants for a period of four years after completion.

TMP Limited

The following are all of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by TMP Limited within two years immediately preceding the date of this document or are other contracts that contain provisions under which any member of TMP Limited has an obligation or entitlement which is material to TMP Limited as at the date of this document:

By a distributorship agreement (the “Agreement”) made on 27 May 2002 between Impact Recovery Systems Inc (“IRS”) (1) and TMP Limited (2) IRS appointed TMP Limited as an exclusive distributor of IRS products in the United Kingdom and the Republic of Ireland. The Agreement continues until 1 July 2014 but may be terminated if TMP Limited fails to meet defined sales targets or in the event of breach. IRS is also entitled to terminate the Agreement if a change of control occurs with respect to TMP Limited and TMP Limited becomes controlled by a competitor of IRS and it is reasonably foreseeable that there will be a reduction of sales of the products in the territory. The Company is not a competitor of IRS and, accordingly, the Directors do not consider this provision to be relevant to the purchase of TMP Limited by the Company although it may become relevant if the Company subsequently wishes to sell TMP Limited. Under the Agreement TMP Limited has agreed not to sell competing products or act as agent for competitors.

6. Working Capital of the Enlarged Group

Anx 3
Item 3.1

The Company is of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least twelve months from the date of this document.

7. Directors' service contracts

- (a) Richard Dewhurst is employed by the Company pursuant to a service agreement dated 9 February 1994. The basic salary payable under the agreement is £106,445 (inclusive of directors' fees) per annum and is subject to annual review. In addition, Mr Dewhurst is entitled to participate in a directors' performance bonus scheme. Mr Dewhurst is also entitled to participate in the Company's pension and life assurance scheme. Mr Dewhurst's employment may be terminated by either party on six months' notice. There are no provisions in the agreement for payment of compensation on termination of employment other than in the case of death or termination as result of serious illness (in which case an amount equal to six months' basic salary is payable by the Company).
- (b) David Dewhurst is employed by the Company pursuant to a service agreement dated 9 February 1994. The current basic salary payable under the agreement is £89,312 (inclusive of directors' fees) per annum and is subject to annual review. In addition, Mr Dewhurst is entitled to participate in a directors' performance bonus scheme. Mr Dewhurst is also entitled to participate in the Company's pension and life assurance scheme. Mr Dewhurst's employment may be terminated by either party on six months' notice. There are no provisions in the agreement for payment of compensation on termination of employment other than in the case of death or termination as result of serious illness (in which case an amount equal to six months' basic salary is payable by the Company).
- (c) Jared Sinclair is employed by the Company pursuant to a service agreement dated 7 August 2002. The current basic salary payable under the agreement is £68,203 (inclusive of directors' fees) per annum and is subject to annual review. In addition, Mr Sinclair is entitled to participate in a directors' performance bonus scheme. Mr Sinclair is also entitled to participate in the Company's pension and life assurance scheme. Mr Sinclair's employment may be terminated by either party on six months' notice. There are no provisions in the agreement for payment of compensation on termination of employment other than in the case of death or termination as result of serious illness (in which case an amount equal to six months' basic salary is payable by the Company).
- (d) Mel White is employed by the Company pursuant to a service agreement dated 7 December 1995. The current basic salary payable under the agreement is £62,448 (inclusive of directors' fees) per annum and is subject to annual review. In addition, Dr White is entitled to participate in a directors' performance bonus scheme. Dr White is also entitled to participate in the Company's pension and life assurance scheme. Dr White's employment may be terminated by either party on six months' notice. There are no provisions in the agreement for payment of compensation on termination of employment other than in the case of death or termination as result of serious illness (in which case an amount equal to six months' basic salary is payable by the Company).
- (e) Richard Young is employed by Thames Valley Controls Limited (a subsidiary of the Company) pursuant to a service agreement dated 1 October 1996. The current basic salary payable under the agreement is £64,448 per annum and is subject to annual review. In addition, Mr Young is entitled to participate in a directors' performance bonus scheme. Mr Young is also entitled to participate in the Company's life assurance and private health insurance schemes and to the use of a company car. Mr Young's employment may be terminated by either party on six months' notice. There are no provisions in the agreement for payment of compensation on termination of employment other than in the case of termination as result of serious illness (in which case an amount equal to six months' basic salary is payable by the Company).
- (f) Peter Tett's services as a non-executive Director are provided under the terms of an appointment letter dated 22 December 2005 from the Company to Mr Tett. The current fee payable under the appointment letter is £16,000 per annum. The appointment is for a three year term expiring immediately before the annual general meeting of the Company to be held in 2007.
- (g) Save as set out in this paragraph 7, there are no service agreements in existence between any of the Directors and the Company or any of its subsidiaries which cannot be determined by the employing company without payment of compensation (other than statutory compensation).

Anx 1
Item 16.2

8. Consent

BDO Stoy Hayward LLP has given and not withdrawn its written consent to the inclusion of its reports in Parts III and IV of this document and to references to its name in the form and context in which they are included.

13.3.1(10)

9. Related Party Transactions

No member of the Group has entered into any related party transactions during the period commencing 1 October 2003 up to the date of this document.

Anx 1
Item 19

10. Documents on Display

Anx 1
Item 24

Copies of the following documents may be inspected at the offices of Lawrence Graham LLP, 190 Strand, London during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the Resolutions are passed at the EGM:

- the memorandum and articles of association of Dewhurst;
- the annual report and accounts of the Company for the three years ended 30 September 2003, 2004 and 2005;
- the material contracts referred to in paragraph 5 above;
- the letter of consent from BDO Stoy Hayward LLP referred to in paragraph 8 above; and
- the reports of BDO Stoy Hayward LLP set out in Parts III and IV of this document.

PART V

DEFINITIONS

“A Non Voting Ordinary Shares”	‘A’ non voting ordinary shares of 10p each in the Company
“Acquisition”	the proposed acquisition of the entire issued share capital of TMP Limited as described in this document
“Act”	the Companies Act 1985 as amended
“Admission”	admission of the Ordinary Shares and A Non Voting Ordinary Shares to trading on AIM
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange governing admission to, and operation of, AIM
“Board” or “Directors”	the directors of the Company
“Cancellation”	the proposed cancellation of the listing of the issued Ordinary Shares and A Non Voting Ordinary Shares from the Official List
“the Company” or “Dewhurst”	Dewhurst Plc (registered in England and Wales with registration number 160314)
“EGM” or “Extraordinary General Meeting”	extraordinary general meeting of Dewhurst convened for 11.00 a.m. on 24 January 2006
“Enlarged Group”	the Group as enlarged by the Acquisition
“Form of Proxy”	the form of proxy for use in connection with the EGM
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 as amended
“Group”	Dewhurst and its subsidiaries and subsidiary undertakings at the date of this document
“Listing Rules”	the listing rules made by the FSA under Section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the list maintained by the UKLA pursuant to Part VI of FSMA
“Ordinary Shareholder”	a holder of Ordinary Shares
“Ordinary Shares”	ordinary shares of 10p each in the Company
“Proposals”	the Acquisition, the Cancellation and the Admission
“Registrars”	Capita Registrars, the Company’s registrars
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting contained in the notice set out at the end of this document
“Seymour Pierce”	Seymour Pierce Limited authorised and regulated by the Financial Services Authority
“Shareholder”	a holder of Shares

“A Shareholder”	a holder of A Non Voting Ordinary Shares
“Shares”	A Non Voting Ordinary Shares and Ordinary Shares
“TMP Limited”	Traffic Management Products Limited (registered in England and Wales with registration number 3207588)
“UKLA”	the FSA as the competent authority for listing in the United Kingdom

NOTICE OF EXTRAORDINARY GENERAL MEETING

DEWHURST PLC

(Incorporated in England and Wales under the Companies Act 1985 with registration number 160314)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Dewhurst Plc (the “Company”) will be held at Melbourne Works, Inverness Road, Hounslow, Middlesex TW3 3LT at 11.00 a.m. on 24 January 2006 to consider and, if thought fit, pass the following resolutions which will be proposed, as to resolution 1, as an ordinary resolution and, as to resolution 2, as an extraordinary resolution:

Ordinary Resolution

1. THAT the acquisition by the Company of the entire issued share capital of Traffic Management Products Limited (“TMP Limited”) pursuant to a share purchase agreement (the “Agreement”) dated 21 December 2005 made between P Daniels and Others (1) and the Company (2) as described in the circular to shareholders of the Company dated 6 January 2006 be and is hereby approved and the Directors of the Company be and are hereby authorised to cause the Agreement and all matters provided therein or related thereto to be completed and, at their discretion, to amend, waive, vary and/or extend any of the terms and/or conditions of the Agreement and/or any other document referred to therein and/or connected therewith in whatever way they may consider to be or become necessary and or desirable in a manner not material to such acquisition as a whole and to do and/or procure to be done all such acts and/or things as they may consider necessary or desirable in connection therewith.

Extraordinary Resolution

2. THAT the cancellation of the listing on the Official List of the UK Listing Authority of the ordinary shares of 10p each in the Company and the ‘A’ non-voting ordinary shares of 10p each in the Company be and is hereby approved and the Directors of the Company be and are hereby authorised to cause such cancellation to be effected and to do and/or procure to be done all such acts and/or things as they may consider necessary or desirable in connection therewith.

Registered Office:
Melbourne Works
Inverness Road
Hounslow TW3 3LT

By Order of the Board

Jared Sinclair
Company Secretary

6 January 2006

Notes:

ENTITLEMENT TO ATTEND AND VOTE

Only holders of Ordinary Shares may vote at the Meeting.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Ordinary Shareholders registered in the register of member of the Company as at 5.00 p.m. on 22 January 2006, or if the Meeting is adjourned, in the register of member 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after 5.00 p.m. on 22 January 2006, or if the Meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

APPOINTMENT OF PROXIES

A Shareholder entitled to attend and vote at the Meeting, including any adjournment(s) thereof, may appoint one or more proxies to attend and to vote in his or her place. A proxy need not be a shareholder. A form of proxy for use by Shareholders is enclosed with this document.

To be effective, the form of proxy must be lodged at Capita Registrars, Proxies Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not less than 48 hours before the time appointed for the Meeting. Please note that Capita's hours of business are 9.00 a.m. to 5.00 p.m. Monday to Friday and therefore any deliveries received outside of these hours will not be signed for. The appointment of a proxy will not preclude an Ordinary Shareholder from attending the Meeting and voting in person.

