



# LitComp Plc

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25 November 2009

Dear Holder of LitComp plc 10% Convertible Secured Loan Notes 2008,

**Trust Deed dated 6 October 2005 (as amended on the 20 March 2006 and 10 December 2008) made between LitComp Plc as the Company and Continental Trust Company Limited as the Trustee (as amended, restated, novated and supplemented from time to time, the "Trust Deed") constituting the Convertible Secured Loan Stock 2008 (the "Loan Notes")**

1. As announced on 5 November 2009, the Independent Committee of the Company's Directors (consisting of Douglas Smith and Christopher Collins) ("**Independent Directors**") have reached agreement on the terms of a recommended cash offer to be made by Torridon Capital Limited (the "**Offeror**") for the entire issued and to be issued share capital of the Company (the "**Offer**").
2. Under the terms of the Offer, the Company's Shareholders (excluding Paul Lavender, Jason Smart, Russell Smart ("the Executive Directors") and their connected persons) are entitled to receive 35 pence in cash for each share of 10 pence each in the Capital of the Company ("**Ordinary Share**").
3. In accordance with the terms of the Trust Deed, during the offer period (as defined in the City Code of Takeovers and Mergers and commencing on 24 September 2009), the holders of Loan Notes may exercise their rights to convert their Loan Notes into Ordinary Shares at a conversion price of 30 pence per share. Interest on such Loan Notes will only be payable by the Company up to the date of conversion whereas if they are not converted interest will be payable by the Company up to the date of their purchase pursuant to the terms of an equivalent offer to be made to the holders of the Loan Notes.
4. The holders of Loan Notes who do not exercise their rights to convert their Loan Notes into Ordinary Shares will receive an equivalent offer of £1.167 per £1 Loan Note and will continue to receive interest payable by the Company on the Loan Notes up to the date of redemption, further details of which are set out in the Offer Document (as defined below) which is enclosed with this letter.
5. On 16 November 2009, the Company became aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company will become vested in the Offeror (unless the document setting out the terms of the Offer ("**Offer Document**") is not posted by 30 November 2009 (or such later date as the Panel may agree) or if the Offer lapses or does not complete before the date falling four months after the date that the Offer Document is posted).
6. The Offer Document containing further details of the Offer and the comparable offer for the Loan Notes is enclosed with this letter. The Offer is subject, *inter alia*, to the satisfaction or waiver of the conditions which are set out in Offer Document.

Yours faithfully,

*For and on behalf of the Independent Directors of LitComp Plc*

**Douglas Smith**  
Chairman  
LitComp Plc