

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or 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 authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares in Havelock Europa PLC, please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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# **Havelock Europa PLC**

*(incorporated in England and Wales with registered number 782546)*

## **Proposed cancellation of listing on the Official List Admission to trading on AIM and Notice of General Meeting**

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**This document should be read as a whole.** Your attention is drawn to the letter from the Chairman of Havelock Europa PLC which is set out on pages 4 to 6 of this document, in which the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of Havelock Europa PLC, to be held at the Company's offices at Mossway, Hillend Industrial Park, Dalgety Bay, KY11 9JS, at 11.00 a.m. on 1 July 2010 is set out on page 7 of this document. A Form of Proxy for use in connection with the General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event so as to be received by Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 11.00 a.m. on 29 June 2010. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

Investec, which is authorised and regulated in the UK by the Financial Services Authority, is acting exclusively for the Company in connection with the Proposals and will not be responsible to any person other than the Company for providing the protections afforded to customers of Investec or for providing advice in relation to the Proposals, the contents of this document or the accompanying documents and the arrangements referred to therein.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   |                            |
|---|----------------------------|
| Latest time and date for receipt of Forms of Proxy                                      | 11.00 a.m. on 29 June 2010 |
| General Meeting   | 11.00 a.m. on 1 July 2010  |
| Last day of dealings in Ordinary Shares on the main market of the London Stock Exchange | 29 July 2010               |
| Cancellation of listing of Ordinary Shares from the Official List becomes effective     | 8.00 a.m. on 30 July 2010  |
| Admission to AIM effective and dealings in Ordinary Shares commence on AIM              | 8.00 a.m. on 30 July 2010  |

## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “Admission”               | the proposed admission of the Ordinary Shares to trading on AIM   |
| “AIM”                     | the Alternative Investment Market, a market operated by the London Stock Exchange   |
| “AIM Rules”               | the rules of AIM as set out in the publication entitled “AIM Rules for Companies” published by the London Stock Exchange from time to time  |
| “Board”                   | the board of Directors  |
| “Combined Code”           | the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council   |
| “Company” or “Havelock”   | Havelock Europa PLC   |
| “Delisting”               | the proposed cancellation of the listing of the Ordinary Shares on the Official List and of trading on the London Stock Exchange’s main market for listed securities                            |
| “Directors”               | the directors of the Company, whose names are set out on page 4 of this document  |
| “Form of Proxy”           | the form of proxy accompanying this document for use in connection with the General Meeting   |
| “General Meeting” or “GM” | the general meeting of the Company to be held at 11.00 a.m. on 1 July 2010 (or any reconvened meeting following any adjournment thereof), notice of which is set out on page 7 of this document |
| “Group”                   | Havelock and its subsidiaries   |
| “Investec”                | Investec Bank plc   |
| “ISA”                     | an individual savings account   |
| “Listing Rules”           | the Listing Rules of the UK Listing Authority   |
| “London Stock Exchange”   | London Stock Exchange plc   |
| “Official List”           | the Official List of the UK Listing Authority   |
| “Ordinary Shares”         | the ordinary shares of 10p each in the capital of the Company   |
| “PEP”                     | a personal equity plan  |
| “Proposals”               | the Delisting and Admission, all as described in this document  |
| “Resolution”              | the special resolution to approve the Proposals set out in the notice of GM as set out on page 7 of this document   |
| “Shareholders”            | holders of Ordinary Shares  |
| “UK Listing Authority”    | the Financial Services Authority acting in its capacity as the competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000                                    |

# LETTER FROM THE CHAIRMAN OF HAVELOCK EUROPA PLC

## Havelock Europa PLC

*(incorporated in England and Wales with registered number 782546)*

*Directors:*

Malcolm Gourlay *(Non-Executive Chairman)*  
David Hurcomb *(Interim Chief Executive)*  
Grant Findlay *(Finance Director/Company Secretary)*  
Richard Lowery *(Chief Executive Interiors Division)*  
Shonaid Jemmett-Page *(Non-Executive Director)*  
Roland van Bommel *(Non-Executive Director)*

*Registered Office:*

3 Swanwick Court  
Alfreton  
Derbyshire  
DE55 7AS

8 June 2010

*To the holders of Ordinary Shares and, for information only, to any option holders*

Dear Shareholder,

### **Proposed cancellation of listing on the Official List and admission to trading on AIM**

#### **1. Introduction**

The Company has today announced its intention to seek the cancellation of the listing of its Ordinary Shares on the Official List and to apply for its Ordinary Shares to be admitted to trading on AIM. Pursuant to the Listing Rules, the Delisting is conditional upon Shareholders' approval being obtained. Accordingly, the purpose of this document is to provide Shareholders with information on the proposed Delisting and transfer to AIM and to seek the requisite approval of the Proposals by way of a special resolution to be proposed at a General Meeting of the Company, notice of which is set out on page 7 of this document, and which will be held at the Company's offices at Mossway, Hillend Industrial Park, Dalgety Bay, KY11 9JS at 11.00 a.m. on 1 July 2010.

The Directors, whose names appear above, 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.

#### **2. Background to and reasons for transferring to AIM**

The Board believes that AIM is a more appropriate market for a company of Havelock's size and resources and that a transfer of the Ordinary Shares to trading on AIM should lead to lower ongoing costs associated with being a publicly quoted company and a simplification of the Company's administrative and regulatory requirements. The Board also believes that AIM will offer greater flexibility, particularly with regard to corporate transactions, and should therefore enable the Company to agree and execute certain transactions more quickly, if acquisitions or other opportunities arise in the future. The Board envisages no material alteration in the standards of reporting and governance which the Company maintains. Once admitted to AIM, Shareholders should continue to be able to trade the Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary, subject to liquidity in the Ordinary Shares.

AIM, which is operated and regulated by the London Stock Exchange, has an established reputation with investors and analysts. It was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. More than 3,000 companies have been admitted to AIM, over £60 billion has been raised in total and AIM is now an internationally recognised market.

In the opinion of the Directors, the key differences between the obligations of an AIM quoted company and those of a company whose shares are listed on the Official List are set out below:

- Under the AIM Rules, a nominated adviser (“Nomad”) is required at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. Under the Listing Rules, a sponsor is only required for certain transactions.
- For transactions by AIM companies, prior shareholder approval under the AIM Rules is only required for reverse takeovers and disposals that result in a fundamental change of business. Under the Listing Rules, a broader range of transactions require prior shareholder approval. The Company will, however, be required to make notifications by way of a regulatory information service in relation to certain transactions under the AIM Rules which are considered to be of a substantial nature or are entered into with a related party.
- There is no requirement for a minimum number of shares in an AIM quoted company to be held in public hands, whereas on the Official List a minimum of 25 per cent. of a company’s issued ordinary share capital has to be maintained in public hands at all times under the Listing Rules.
- There is no requirement under the AIM Rules for listing particulars or admission documents to be published for further issues of securities, except as otherwise required by law.
- The Combined Code does not apply directly to AIM companies. Companies on the Official List are required to adhere to the Combined Code.

### **3. Risk factors**

Liquidity on AIM is facilitated by market makers who are member firms of the London Stock Exchange. Although following Delisting the Company intends to apply for all of the Ordinary Shares to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging or smaller growing companies to which a higher investment risk tends to be attached than to larger or (as in the case of the Company) more established companies and may not provide the liquidity normally associated with the main market of the London Stock Exchange or some other stock exchanges. AIM securities are not admitted to the Official List. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case.

In the event the Proposals are not approved at the General Meeting, the Company’s shares will continue to be listed on the Official List and consequently the Company will continue to incur the higher ongoing costs associated with being a company whose shares are listed on the Official List.

### **4. Taxation**

Shareholders or prospective investors should consult their own professional advisers as to whether an investment in the Company is suitable for them.

Whether the Company’s Ordinary Shares are listed on the Official List or traded on AIM will not impact on the way income or capital gains will be assessed to tax on Shareholders. However, Shareholders should note that it is not possible to hold shares solely traded on AIM in PEPs or ISAs. The Board understands that following Admission, Shareholders who hold Ordinary Shares through a PEP or ISA will, under current HM Revenue & Customs guidance, have 30 days to decide whether to transfer that shareholding in the Company into their own name or to sell the holding and retain the proceeds within the PEP or ISA.

**The comments on the tax implications described above are based on the Directors’ current understanding of UK tax law and practice, and are intended only as a general guide to taxation under UK tax law and do not constitute tax or legal advice. Tax rules may change and the precise tax implications for Shareholders will depend on their particular circumstances. If you are in any doubt**

**as to your tax position, or are resident or otherwise subject to taxation in a jurisdiction outside the UK, you should consult your professional adviser immediately.**

#### **5. Proposed cancellation of listing on the Official List and admission to trading on AIM**

Conditional upon the Resolution being approved at the General Meeting, the Company will apply to the UK Listing Authority to cancel the listing of its Ordinary Shares on the Official List and will apply to the London Stock Exchange for their admission to AIM.

It is anticipated that trading in the Ordinary Shares on the London Stock Exchange's main market for listed securities will cease at the close of business on 29 July 2010 with cancellation of the listing on the Official List taking effect at 8.00 a.m. on 30 July 2010 (being not less than 20 business days following the passing of the Resolution as required by the Listing Rules). Admission of the Ordinary Shares to AIM is expected to become effective, and dealings are expected to commence in the Ordinary Shares on AIM, at 8.00 a.m. on 30 July 2010.

#### **6. General Meeting**

In order to cancel the listing of the Ordinary Shares on the Official List a special resolution is required to be approved by Shareholders. The passing of the Resolution requires the approval of at least 75 per cent. of the votes cast by Shareholders voting at the GM, in person or by proxy, to be obtained. A notice convening a General Meeting of the Company to be held at the Company's offices at Mossway, Hillend Industrial Park, Dalgety Bay, KY11 9JS, at 11.00 a.m. on 1 July 2010, at which the Resolution to approve the Proposals will be proposed, is set out on page 7 of this document.

#### **7. Other information**

Investec has given, and has not withdrawn, its written consent to the publication of this document with the inclusion of references to its name in the form and context in which they appear.

#### **8. Action to be taken**

You will find enclosed with this document a Form of Proxy for use in connection with the General Meeting (or any adjournment thereof). Whether or not you propose to attend the meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it as soon as possible, but in any event so as to be received by Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 11.00 a.m. on 29 June 2010. The return of a Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

#### **9. Recommendation**

The Board believes that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of their own beneficial shareholdings of 1,013,470 Ordinary Shares in aggregate, representing approximately 2.6 per cent. of the Company's issued share capital.

Yours faithfully,

**J M Gourlay**  
*Chairman*

# Havelock Europa PLC

*(incorporated in England and Wales with registered number 782546)*

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Havelock Europa PLC (the “Company”) will be held at 11.00 a.m. on 1 July 2010 at the Company’s offices at Mossway, Hillend Industrial Park, Dalgety Bay, KY11 9JS, for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

### Special Resolution

That the listing of the issued ordinary share capital of the Company on the Official List of the UK Listing Authority be cancelled and application be made for the admission of the issued ordinary share capital of the Company to trading on the Alternative Investment Market of London Stock Exchange plc and the Directors of the Company be and are hereby authorised to cause such cancellation and application 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.

By order of the Board  
Grant M Findlay  
*Company Secretary*

*Registered Office:*  
3 Swanwick Court  
Alfreton  
Derbyshire  
DE55 7AS

8 June 2010

#### Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more persons as his/her proxy to attend, speak and vote instead of him/her at the meeting. If multiple proxies are appointed they must not be appointed in respect of the same shares. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this document. Completion and return of the Form of Proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member may instruct their proxy to abstain from voting on the Resolution to be considered at the meeting by marking the “Withheld” option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes “for” or “against” the Resolution. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share of which he/she is the holder.
2. In order to be valid, a Form of Proxy for the meeting and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, must be received not later than 48 hours before the time fixed for the meeting at the offices of the Company’s Registrars: Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK and Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent, Capita Registrars Limited (CREST Participant ID:RA10) no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a

message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

5. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. A person to whom this notice is sent who is a person nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 3 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.
7. As at 7 June 2010 (being the last business day prior to the publication of this document), the Company's issued share capital amounted to 38,532,050 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 7 June 2010 were 38,532,050 votes.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 29 June 2010 (or in the event that the meeting is adjourned, only those shareholders registered in the register of members of the Company as at 48 hours before the time of the meeting) shall be entitled to attend or vote at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 29 June 2010, or in the event that the meeting is adjourned to a later time, on 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.
9. Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).
10. Information regarding the General Meeting, including information required by section 311A of the Companies Act 2006, and a copy of this notice of General Meeting is available on [www.havelockeuropa.com](http://www.havelockeuropa.com). Members may not use any electronic address provided in this notice or in any related documents (including the accompanying Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
11. Any person holding 3 per cent. or more of the total voting rights of the Company and who appoints a person other than the Chairman of the General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
12. Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Members who have any queries about the General Meeting should contact the Company Secretary by post.