

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own 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 resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred, or sell or transfer prior to 10.00 a.m. on 13 December 2008, all your Ordinary Shares in Alba plc, please send this Circular (but not the accompanying personalised Form of Proxy and Election Form) as soon as possible to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred, or sell or transfer as above, part only of your holding of Ordinary Shares in Alba plc, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Investec Investment Banking, a division of Investec Bank (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Alba plc and for no one else in relation to the Proposed Disposal, Return of Cash, Change of Name, Articles Adoption and LTIP Amendments and will not be responsible to anyone other than Alba plc for providing the protections afforded to clients of Investec Investment Banking or for providing advice in relation to the Proposals or on any matter referred to herein. The B Shares have not been marketed and are not available to the public, in whole or in part, in connection with the Return of Cash. No application will be made to the UK Listing Authority or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the market for listed securities of the London Stock Exchange and the B Shares will not be admitted to trading on any other recognised investment exchange.

Circular to Shareholders

Alba plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 00756128)

Proposed Disposal of the Alba and Bush Trademarks

Proposed Return of Cash to Shareholders of 30p per Ordinary Share

Proposed change of name to Harvard International plc

Proposed New Articles and Proposed amendments to the Long Term Incentive Plan

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of Alba plc which is set out in Part 2 of this Circular and which contains your Board's recommendation to vote in favour of the resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting of Alba plc to be held at 10.00 a.m. on 15 December 2008 at the offices of the Company, Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS is set out at the end of this document. To be valid, the Form of Proxy for use at the General Meeting, which is enclosed with this document, must be completed and returned so as to be received by the Company's registrars not later than 10.00 a.m. on 13 December 2008. If you hold your shares in uncertificated form, that is in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars so that it is received by no later than 10.00 a.m. on 13 December 2008. You can return your Form of Proxy by hand to the Company's registrars; Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. You can also appoint a proxy electronically by visiting the website of Capita Registrars, www.capitashareportal.com. The completion and return of the Form of Proxy or CREST Proxy Instruction or the appointment of a proxy electronically will not prevent you from attending and voting at the meeting in person, if you so wish (and are so entitled). You should note that completion of the Proposed Disposal, Return of Cash, Change of Name, Articles Adoption and LTIP Amendments are conditional on the approval by Shareholders of the Resolutions at the General Meeting. The Return of Cash is conditional upon, among other things, the approval by Shareholders of the Proposed Disposal to be proposed at the General Meeting. A summary of the action to be taken by Shareholders is set out in paragraph 9 of Part 2 of this Circular and in the accompanying notice of the General Meeting.

The B Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or any state securities laws of the United States. Accordingly, none of the B Shares may be offered or sold in the United States unless pursuant to a transaction that has been registered under the Securities Act and the relevant state securities laws or that is not subject to the registration requirements of the Securities Act or such laws, either due to an exemption there from or otherwise.

None of the B Shares nor this document has been approved, disapproved or otherwise recommended by the SEC, any US state securities commission or other regulatory authority or any non US Securities Commission or regulatory authority nor have such authorities confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

SEE "RISK FACTORS" ON PAGES 13 TO 15 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY SHAREHOLDERS WHEN CONSIDERING WHAT ACTION TO TAKE IN CONNECTION WITH THE GENERAL MEETING.

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This document contains certain forward-looking statements, which are subject to assumptions, risks and uncertainties. All such statements should be considered in light of the cautionary statements set out in Part 3 of this document.

PART 1

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Form of Proxy, CREST Proxy Instruction or the appointment of a proxy electronically for General Meeting	10.00 a.m. on 13 December 2008
General Meeting	10.00 a.m. on 15 December 2008
Completion of Proposed Disposal	on 15 December 2008
Reorganisation Record Date	11.00 p.m. on 15 December 2008
Crediting of B Shares to CREST accounts	8.00 a.m. on 16 December 2008
Latest time and date for receipt of Election Forms and USE instructions from CREST holders in relation to the Share Alternatives	3.00 p.m. on 5 January 2009
Latest time and date for receipt of notices of withdrawal in relation to withdrawal of elections for the Share Alternatives	3.00 p.m. on 5 January 2009
B Share Record Date	4.30 p.m. on (closing date) 5 January 2009
B Share Dividend Date and relevant B Shares converted into Deferred Shares pursuant to valid elections by those electing for the B Share Dividend	on 9 January 2009
Redemption Date and cancellation of the relevant B Shares pursuant to valid elections by those electing for the Redemption	on 9 January 2009
Cheques issued/CREST accounts credited in respect of the B Share Dividend or the Redemption	by 16 January 2009

References to times in this document are to London time.

The dates given in this document are indicative only and may be subject to change. The dates are based on Alba's current expectations and will depend on, amongst other things, the date of Completion. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement in the Regulatory News Service of the London Stock Exchange.

Following the passing of resolution 3 and Completion the Company's TIDM Code will change from ABA to HAR.

PART 2

LETTER FROM THE CHAIRMAN OF ALBA



Directors:

Bridget Blow, *Non-Executive Chairman*
Daniel Harris, *Chief Executive*
Andrew Rose, ACA, *Finance Director*
Mike Ashley, *Executive Director*
Paul Selway-Swift, *Senior Independent Non-Executive Director*
Tony Shearer, *Non-Executive Director*

Registered Office:

Bush House
The Waterfront
Elstree Road
Elstree
Hertfordshire
WD6 3BS

27 November 2008

To all Shareholders and, for information only, to the holders of options under the Share Option Schemes

Dear Shareholder

PROPOSED:

**DISPOSAL OF ALBA AND BUSH TRADEMARKS;
CHANGE OF NAME TO HARVARD INTERNATIONAL PLC;
RETURN OF CASH TO SHAREHOLDERS OF 30P PER ORDINARY SHARE;
ADOPTION OF NEW ARTICLES OF ASSOCIATION; AND
AMENDMENTS TO THE LONG TERM INCENTIVE PLAN**

1. INTRODUCTION

On 27 November 2008 your Board announced that Alba Broadcasting (a wholly owned subsidiary of Alba) and Alba have entered into an agreement with Argos Limited, a subsidiary of Home Retail Group plc, for the sale of the Alba and Bush Trademarks for £15.25 million payable in cash at completion of the Proposed Disposal. Further details of the Proposed Disposal are contained in Part 11 of this document. Under the Listing Rules, as a consequence of its size, the Proposed Disposal requires the approval of Shareholders at a General Meeting.

Having held initial discussions with the parties which the Board believed would be interested in the Alba and Bush Trademarks, the offer received from Argos Limited was, in the opinion of the Board, the best offer.

The Return of Cash will be made using a B Share structure that will give Shareholders (other than US Holders) a choice as to the form, being either capital or dividend, in which they receive their proceeds from the Return of Cash. The Return of Cash will involve the creation of B Shares with such rights and restrictions as are set out in the proposed New Articles. Both the Return of Cash and the Articles Adoption will require Shareholder approval. A summary of the rights attaching to such B Shares is set out in Part 7 of this document.

In addition to the Proposed Disposal, the Return of Cash and the Articles Adoption, the following are proposed which will also require Shareholder approval:

1. subject to approval of the Proposed Disposal by Shareholders and upon Completion, the Company will change its name to Harvard International plc. The Change of Name is required under the agreement with Argos Limited relating to the Proposed Disposal; and
2. the amendments to the LTIP rules as a result of the Return of Cash.

Together the Proposed Disposal, the Return of Cash, the Change of Name, the Articles Adoption and the LTIP Amendments are referred to in this Circular as the Proposals.

Further information on the:

1. Alba and Bush Trademarks can be found under paragraph 2.1 of this Part 2 of this document;
2. Proposed Disposal can be found under paragraphs 2.2(a) and 4.1 of this Part 2 and in Part 11 of this document;
3. Return of Cash can be found under paragraphs 2.2(b) and 4.2 of this Part 2 and in Part 4 of this document;
4. Change of Name can be found under paragraph 2.2(e) of this Part 2 of this document;
5. Articles Adoption can be found under paragraph 2.2(c) of this Part 2 and in Parts 7 and 8 of this document; and
6. LTIP Amendments can be found under paragraphs 2.2(d) and 4.3 of this Part 2 and Part 10 of this document.

Therefore, a General Meeting of the Company has been convened to seek Shareholder approval for the Proposals, and will be held at 10.00 a.m. on 15 December 2008. Notice of the General Meeting is set out at the end of this Circular.

The purpose of this Circular is to provide you with details of the Proposals, to explain why your Board believes that the Proposals are in the best interests of Alba and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions to approve, *inter alia*, the Proposals, at the General Meeting.

Shareholders should read the whole of this Circular and not just rely on the summarised information set out in this letter.

2. DETAILS OF THE PROPOSALS

2.1 Information on the Alba and Bush Trademarks

The Alba and Bush Trademarks are established consumer electronics brands in the United Kingdom, Eire, Australia and New Zealand. The Group is retaining, where applicable, the rights to the Alba and Bush Trademarks in Australia and New Zealand. The products sold by the Group using the Alba and Bush Trademarks include: televisions, set top boxes and audio systems.

Products using the Alba and Bush Trademarks are marketed through distribution channels such as high street retailers, supermarkets, mail order companies and internet retailers in the UK and Eire and customers include high street names such as Tesco, Currys.digital, Comet and Argos.

In the three years ended 31 March 2008 the sales, gross profit/(loss) and operating profit/(loss) attributable to the Alba and Bush Trademarks were as follows:

	<i>Year ended 31 March</i>		
	<i>2008</i>	<i>2007</i>	<i>2006</i>
	<i>£'millions</i>	<i>£'millions</i>	<i>£'millions</i>
UK and Eire Sales	108.2	182.3	238.8
Cost of Sales	(107.0)	(185.4)	(221.3)
Gross Profit/(loss)	1.2	(3.1)	17.5
Attributable net operating expenses	(7.8)	(10.0)	(10.3)
Operating (loss)/profit	(6.6)	(13.1)	7.2

The UK sales and gross profits/(loss) for goods sold under the Alba and Bush Trademarks have been extracted directly from the records of the Alba Group, without material adjustment, from the consolidation schedules that underlie Alba's audited accounts for the relevant periods. The attributable net operating expenses are those costs which Alba considers to be directly attributable to the goods sold under the Alba and Bush Trademarks in the UK and Eire.

2.2 Background to and reasons for the Proposals

(a) *Proposed Disposal*

In July 2007 the Group announced a £44.0 million pre tax loss for the year to 31 March 2007 and that it had entered into an agreement to sell its Leisure Division for £51.5 million in cash. Following the completion of the disposal of the Leisure Division in August 2007 the Board continued to review the Group's operations to see where better value could be achieved from the sale of businesses or assets rather than continuing to own and operate these businesses or assets as part of the Alba Group. As a result, in December 2007, Alba announced the sale of Alba Europe's shareholding in Grundig for an initial consideration of €35 million and the disposal of the Roadstar Group for a consideration of €1.

During 2008 conditions in the UK consumer electronics market became increasingly challenging and Alba has found it difficult to achieve an acceptable operating margin or return on capital employed from products that use the Alba and Bush Trademarks in the UK. As a result Alba entered into negotiations with Argos Limited to sell to it the Alba and Bush Trademarks.

In the three years ended 31 March 2008, UK and Eire sales of products using the Alba and Bush Trademarks have declined from £238.8 million to £108.2 million. The operating profit/(loss) attributable to these sales has declined from a profit of £7.2 million in the year ended 31 March 2006 to a loss of £13.1 million in the year ended 31 March 2007 and of £6.6 million in the year ended 31 March 2008. Over this time the consumer electronics market has changed dramatically with products becoming far more commoditised, margins being eroded and Alba's key customers, the retailers, looking to buy more product directly from the manufacturers. This has been particularly evident in the value sector of the market which the Alba and Bush Trademarks principally occupy.

Given the results from the Alba and Bush Trademarks in the UK and Eire, Alba believes that a disposal for £15.25 million represents a good opportunity to realise value for Shareholders.

(b) *Return of Cash*

Following completion of the Proposed Disposal, the Group will have received £91 million from the disposal of assets over the last 18 months. The proforma net assets statement, set out in Part 6 of this document shows that after Completion, but before the Return of Cash, the Group would have (on a proforma basis) net cash balances of £35.9 million. The Board consider that the Group now has excess capital in relation to the ongoing trading of the Group and proposes to return approximately £15.4 million to Shareholders via the Return of Cash.

The Return of Cash has been structured via the B Share Scheme, which allows Shareholders to elect to receive the cash return in the form of capital or in the form of income.

(c) *Articles Adoption*

At the General Meeting, the Company is proposing the Articles Adoption which will enable the Return of Cash to be effected pursuant to the rights attaching to the B Shares and the Deferred Shares. Details of the rights and restrictions which it is proposed will attach to the B Shares and the Deferred Shares are summarised in Parts 7 and 8 of this document.

(d) *LTIP Amendments*

Conditional upon the passing of resolutions 1 and 2 at the General Meeting and Completion, the Company is proposing the LTIP Amendments. These amendments will enable the trustees of the LTIP to participate in the Return of Cash. Further details of the LTIP Amendments are summarised in Part 10 of this document.

(e) *Change of Name*

Conditional upon the passing of resolution 1 at the General Meeting and Completion, the Company is proposing the Change of Name. The Change of Name is required under the terms

of the Sale Agreement entered into as part of the Proposed Disposal and it has decided to revert back to the previous name of the Company, Harvard International plc.

2.3 Current trading and outlook

Trading results for the six months ended 30 September 2008 have been impacted by both the Board's strategy of seeking to restore sustainable long term profitability, through focusing on refining the scale of the Group's activities, and the extremely challenging market conditions which, as has been widely reported, have affected both manufacturers and retailers of consumer electronic products throughout the world. These difficult circumstances are forecast to continue throughout the remainder of this financial year and into at least the first half of 2009/10.

In response to the severe market environment, the Group has escalated the rate of restructuring by withdrawing from more product lines than previously anticipated, correspondingly reducing inventory levels, as well as staff headcount. In addition to addressing operational issues, the Board continues to actively examine ways by which it might increase returns for Shareholders which has resulted in the sale of the Alba and Bush Trademarks to Home Retail Group plc and the Return of Cash.

The Group's strategy, in relation to consumer electronics, is to adopt a more risk averse profile through continuing to reduce the scale of the Group's operations and becoming wholly concentrated on 'UK centric', added value sectors where many of the larger consumer electronics brands are not present. It is intended the products will be differentiated from both global and retailer 'own-label' brands and will include digital set top boxes, Freesat TV receivers and small screen integrated TV solutions. The Group also remains alert to occasional opportunistic situations such as a recently signed contract with Disney to distribute themed products in the UK market.

The overall effect will be to continue to lower the Group's potential sales capacity whilst tightening control of inventory, debtor and trade creditor levels. This will result in a considerably reduced exposure to any change in trading conditions and greater financial visibility and control.

The Board considers that our continuing owned brand Goodmans, together with our license to distribute Grundig in the UK, can deliver these strategic goals. Whilst some further short term exceptional costs will have to be incurred, the new business model should be able to make a positive contribution to Group profitability, once market conditions stabilise and the product portfolio restructuring has been completed.

The Group's consumer medical electronic products business, whilst still in its early stages, continues to develop positively. The product range is sold under the brand name 'Kinetik' and includes blood pressure monitors, body fat composition monitors, T.E.N.S. machines, thermometers and stepometers.

The Group's strategy for the medical products business is to extend product ranges by leveraging the existing product development resources and manufacturing relationships in both China and the UK. In recent months the Group has started to recruit sales managers and some initial orders and enquiries have been received from customers in North America, Europe and Asia. The global economic downturn will have an impact on business performance and the conversion of enquiries into firm purchase commitments remains a priority.

As a result of the reduced scale of the Group's operations a number of properties are now surplus to requirements. It is intended that these assets be sold once market conditions permit.

In view of its size, it may also become appropriate to review at some stage in the future whether the Company should retain its full listing on the London Stock Exchange.

The Group's strategy of reducing risk and improving visibility in its consumer electronics markets, whilst further developing the medical electronics business, is intended to re-establish a sustainable business model, capable of consistently producing positive returns. At this time, in view of the extremely challenging market conditions, returning the Group's continuing businesses to an acceptable level of profitability will not be easy. It is therefore likely that the benefits to be accrued from the Group's restructuring will only start to emerge once market conditions improve.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The consolidation schedules that underlie Alba's audited consolidated accounts to 31 March 2008 show that sales of products in the UK and Eire using the Alba and Bush Trademarks generated an operating loss of £6.6 million for the year ended 31 March 2008. The trading of the Alba and Bush Trademarks was treated as discontinuing activities in the year ended 31 March 2008, and therefore had the Proposed Disposal occurred during the last financial year, the Group would have reported no change in its loss before tax for the year ended 31 March 2008. The impact of the Proposed Disposal and Return of Cash on the net assets of the Group is set out in Part 6 of this document.

The Board proposes that the Net Proceeds from the Proposed Disposal will be returned to Shareholders as part of the Return of Cash.

4. PRINCIPAL TERMS OF THE PROPOSALS

4.1 Principal terms of the Proposed Disposal

Pursuant to the Sale Agreement, Alba Broadcasting and the Company will sell to Argos Limited the Alba and Bush Trademarks.

Completion of the Sale Agreement is conditional upon the passing of resolution 1 at the General Meeting and is subject to Argos Limited's right of rescission in the event that prior to Completion any event occurs which has or is likely to have a material adverse effect upon the Alba and Bush Trademarks or Argos Limited's ability to acquire or use them.

The Sale Agreement includes warranties and indemnities given by Alba Broadcasting and the Company the scope of which are customary for transactions similar in nature to the Proposed Disposal. Details of the terms of the Proposed Disposal are contained in Part 11 of this document.

4.2 Principal terms of the Return of Cash

The Return of Cash consists of the Capital Reorganisation and the Share Alternatives. The Return of Cash is subject to a number of conditions (further details of which are set out in paragraph 7 of Part 4 of this document), including completion of the Proposed Disposal.

Under the Return of Cash, the Company will undertake the Capital Reorganisation under which the Company proposes to create the B Shares by capitalising a sum not exceeding £15.4 million standing to the credit of the Company's share premium account in paying up in full 51,256,685 B Shares to be allotted to Shareholders on the basis of one B Share for each Ordinary Share held at the Reorganisation Record Date. The B Shares and Deferred Shares will have the rights and be subject to the restrictions set out in Parts 7 and 8 of this document.

No share certificates will be issued in respect of the B Shares.

The Share Alternatives

Shareholders (other than US Holders) will then have the option to receive either:

Alternative 1 – the payment of the B Share Dividend (representing 30p in cash per B Share); or

Alternative 2 – the payment of monies for the Redemption of the B Shares (representing 30p in cash per B Share).

The main features of the Share Alternatives and the choices available to Shareholders are summarised below. Further details can be found in Part 4 of this document.

Shareholders should read Part 9 of this document (“United Kingdom Taxation in relation to the Return of Cash”) since the Share Alternatives will have different tax consequences. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

Unless you are a US Holder, you may choose Alternative 1 or Alternative 2 or any combination of these alternatives in respect of your B Shares. US Holders are not being offered Alternative 2 and accordingly any US Holder will automatically be deemed to have elected for Alternative 1.

If you do not properly complete and return your Election Form or, if you are a CREST holder, you do not send a valid USE instruction, you will be deemed to have elected for Alternative 2. In addition, if you are a US Holder and you choose Alternative 2, you will be deemed to have chosen Alternative 1 in respect of the entirety of your Share Entitlements.

Alternative 1 – Income Option

If you choose Alternative 1 in respect of some or all of your B Shares, you will receive the B Share Dividend in respect of such B Shares. The B Share Dividend will generally be treated as income for UK tax purposes.

On the B Share Dividend Date (which is expected to be on 9 January 2009), the B Shares on which the B Share Dividend has become payable will automatically convert into Deferred Shares, with the Shareholder receiving one Deferred Share for each such B Share. The Deferred Shares will not be listed, may not be transferred, will carry extremely limited rights and will have negligible value.

It is expected that Shareholders who elect (or are US Holders who will be deemed to have elected) for Alternative 1 will be sent a cheque, or if they are a CREST participant be paid via CREST, in respect of the B Share Dividend by 16 January 2009, following which the Deferred Shares may be redeemed at any time by the Company for an aggregate consideration of one penny as set out in paragraph 3 of Part 8. This payment may be made, if the Board so determines, to charity.

Alternative 2 – Capital Option

If you choose Alternative 2 in respect of some or all of your B Shares, such B Shares will be redeemed on the Redemption Date. It is expected that the proceeds of the Redemption will generally be treated as capital for UK tax purposes. Alternative 2 will not be available to US Holders.

It is expected that Shareholders who elect or are deemed to have elected for Alternative 2 will be sent a cheque, or if they are a CREST participant be paid via CREST, in respect of the Redemption by 16 January 2009.

The rights and restrictions to be attached to the B Shares and the Deferred Shares are set out in Parts 7 and 8 of this document.

Details of how to complete and return your Election Form are set out in Part 5 of this document or, if you are a CREST holder, your USE instruction, are set out in paragraph 8 of Part 12 of this document.

4.3 Proposed Amendments to the LTIP

At the General Meeting a resolution will be proposed to authorise the Directors with the consent of the Trustee to amend the LTIP rules for the Ordinary Shares that are held by the Trustee to permit the Trustee to choose Alternative 2, and to participate in the Redemption. The amendment to the LTIP rules will clarify that the proceeds of the Redemption would be held at the Trustee's discretion.

The amendment of the LTIP rules is to clarify the intended operation of the LTIP in relation to the Return of Cash. The amendment is not intended to constitute a change in the actual operation of the LTIP and therefore does not require the approval of the LTIP participants.

4.4 Impact on Alba Share Option Schemes

The Company currently operates two share option schemes, the Executive Scheme and the SAYE Scheme whereby employees and Directors of the Company have been granted options to acquire Ordinary Shares. As at 26 November 2008 (being the latest date prior to posting of this document for which information is reasonably available), options to acquire a total of 2,017,974 Ordinary Shares

pursuant to the Share Option Schemes had been granted which had not been exercised and had not yet lapsed.

None of the options granted pursuant to the Share Option Schemes will be capable of exercise solely as a result of the transactions described in this document. They shall continue to be capable of exercise in the future subject to any time restrictions and performance conditions made at the time of grant.

Participants under the Share Option Schemes are not entitled to participate in the Return of Cash except to the extent that they are Shareholders.

The Remuneration Committee will review the share option arrangement and seek to make such adjustments as they consider fair and reasonable to take into account the Return of Cash. Under the terms of both of the Share Option Schemes, any variation to the options must receive the prior approval of HMRC.

In the event that an appropriate adjustment is made, the Remuneration Committee will in due course write to each of the participants in the Share Option Schemes informing them of such adjustment in accordance with the terms of the rules of the Share Option Schemes.

5. SMALLER RELATED PARTY TRANSACTION

The LTIP Amendments constitute a smaller related party transaction under the Listing Rules. This is because each of the Directors is a “related party” of the Company under the Listing Rules and Daniel Harris, Andrew Rose and Michael Ashley are potential beneficiaries of the LTIP Amendments. The nature and extent of the interests of Daniel Harris, Andrew Rose and Michael Ashley under the LTIP are set out in paragraph 4 of Part 12 of this document. Investec has advised the Company that the LTIP Amendments are fair and reasonable so far as the Shareholders are concerned. Pursuant to the Listing Rules, it is not necessary to seek Shareholder approval for a smaller related party transaction.

6. RISK FACTORS

Shareholders should consider fully the risk factors associated with the Continuing Group, the Proposed Disposal, and the Return of Cash, as set out in Part 3 of this Circular.

7. OVERSEAS SHAREHOLDERS

The attention of all Overseas Shareholders is drawn to the paragraph entitled “Overseas Shareholders” in paragraph 9 of Part 4 of this Circular. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such Shareholders to complete and return a Form of Proxy and the Election Form and to receive the Return of Cash.

8. GENERAL MEETING

At the General Meeting, the Resolutions will be proposed, inter alia, to approve the Proposed Disposal, the Return of Cash, the Change of Name and the LTIP Amendments. The notice convening the General Meeting, at 10.00 a.m. on 15 December 2008 at Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS, is set out at the end of this document. A summary of the proposed Resolutions to be put to Shareholders at the General Meeting is set out below.

Resolutions 1 and 4 will be proposed as separate ordinary resolutions and resolutions 2 and 3 will be proposed as separate special resolutions. The ordinary resolutions will be passed if more than 50 per cent. of the votes are cast in favour. The special resolutions will be passed if at least 75 per cent. of the votes cast are in favour.

Resolution 1: Proposed Disposal

This resolution seeks the authority for the Company to dispose of the Alba and Bush Trademarks pursuant to the Sale Agreement.

Resolution 2: Return of Cash

This resolution is conditional on passing resolution 1 and Completion and sets out the formal mechanics for the implementation of the Return of Cash including the requirement to (i) increase the authorised share capital of the Company from £6,000,000 to £21,377,005.50, representing an increase of 256.28 per cent., in order to allow the creation of the necessary B Shares; (ii) to authorise the capitalisation of sums standing to the credit of the share premium account to pay up in full the B Shares; (iii) to authorise the Directors to allot up to 51,256,685 B Shares; and (iv) to adopt the New Articles in order to effect the Return of Cash.

The authority proposed to be granted to allot up to 51,256,685 B Shares will lapse on the earlier of 15 months from the date of the General Meeting or the date of the next annual general meeting of the Company.

The total number of warrants (of which there are none) and options to subscribe for Ordinary Shares that are outstanding as at 26 November 2008 (being the latest practicable date before the publication of this document) is 2,017,974 representing 3.94 per cent. of the current issued share capital of the Company (excluding treasury shares (of which there are none)). There would be warrants and options to subscribe for Ordinary Shares representing 3.94 per cent. of the share capital of the Company (excluding treasury shares) were the Redemption to be elected in respect of all the B Shares.

The principal changes introduced in the New Articles are the rights and restrictions attaching to the B Shares and the Deferred Shares (further details of which are set out in Parts 7 and 8 of this document). In addition there are some minor consequential amendments that reflect the rights and restrictions attaching to the B Shares and Deferred Shares, and that reflect the fact that sections 175 to 182 of the Companies Act 2006 relating to directors' interests have now come into force, which have not been noted. Copies of the proposed New Articles, together with the current Articles marked to show the changes being proposed are available for inspection as stated in paragraph 14 of Part 12 of this document.

Resolution 3: Change of Name

This resolution is conditional on the passing of resolution 1 and Completion and seeks the authority to change the name of the Company to Harvard International plc.

Resolution 4: Amendments to the LTIPs

This resolution is conditional on resolutions 1 and 2 and Completion and seeks Shareholders' authority (with the consent of the Trustee) to amend the LTIP rules to permit the Trustee to choose Alternative 2 in respect of the B Shares held under the LTIP, and to participate in the Redemption. The proposed amendment to the rules of the LTIP is set out in Part 10.

9. ACTION TO BE TAKEN

You will find enclosed a Form of Proxy for use at the General Meeting and an Election Form in respect of your Share Entitlements. Whether or not you propose to attend the meeting, you are requested to complete and sign the enclosed Form of Proxy and return it, in accordance with the instructions printed on it, by post or by hand (during normal business hours only) to the Company's registrars Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and, in any event, by not later than 10.00 a.m. on 13 December 2008.

You can also appoint a proxy electronically by visiting the website of Capita Registrars, www.capitashareportal.com. You will require your unique investor code which is shown in your Form of Proxy. Such an appointment should be made as soon as possible and, in any event, by not later than 10.00 a.m. on 13 December 2008.

If you are a CREST participant, you may transmit a CREST Proxy Instruction to Capita Registrars (under CREST participant ID RA10) in accordance with the procedures set out in the CREST Manual so as to be received as soon as possible and, in any event, by not later than 10.00 a.m. on 13 December 2008.

Completing and returning a Form of Proxy, a CREST Proxy Instruction or electronically appointing a proxy will not prevent you from attending the meeting and voting in person should you wish to do so.

If you wish to elect for Alternative 1 in respect of any of your Share Entitlements, you should complete the Election Form in accordance with the instructions contained in Part 5 of this document (unless you are a US Holder). To be valid, your Election Form should be sent to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU, completed correctly and as soon as possible and, in any event, by not later than 3.00 p.m. on 5 January 2009. If you are a CREST participant, you should send a valid USE instruction in accordance with the instructions contained in paragraph 8 of Part 12 of this document to Capita Registrars as soon as possible and, in any event, by not later than 3.00 p.m. on 5 January 2009.

If you do not complete and return, or do not properly complete and return, an Election Form or send a USE instruction so as to be received by Capita Registrars as set out above (unless you are a US Holder), you will be deemed to have chosen Alternative 2 (which is the default option) in respect of the entirety of your Share Entitlements and, accordingly, your B Shares will be redeemed pursuant to the Redemption.

If you are a US Holder irrespective of any election you may make, you will be deemed to have chosen Alternative 1 in respect of the entirety of your Share Entitlements.

If you are in any doubt as to how to complete the Form of Proxy, CREST Proxy Instruction, USE instruction or Election Form or about how to appoint a proxy electronically please contact Capita Registrars on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Return of Cash or either Share Alternative, nor give any financial, legal or tax advice.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Parts 3 to 13 of this Circular and in particular to the Risk Factors in Part 3.

You are advised to read the whole of this document and not rely solely on the information contained within this letter.

11. RECOMMENDATION

The Board, having been so advised by Investec, considers the Proposals are in the best interests of Shareholders as a whole. In advising the Board, Investec has taken into account the Board's commercial assessments of the Proposals. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings in relation to resolution 1 and as they intend to do in relation to the other Resolutions, which represents approximately 12.35 per cent. of the Ordinary Shares.

In addition to providing irrevocable undertakings in respect of their own beneficial holdings to vote in favour of resolution 1 as outlined above, the Board has obtained irrevocable undertakings from certain other Shareholders. In aggregate therefore, the Board has obtained irrevocable undertakings in respect of 17,208,415 Ordinary Shares representing approximately 33.57 per cent. of the Ordinary Shares to vote in favour of resolution 1.

Yours faithfully

Bridget Blow
Chairman

PART 3

RISK FACTORS

The following risk factors should be considered carefully by Shareholders when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting. The following risks (which are not set out in any particular order of priority) are those material risks of which the Directors are aware. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently consider to be immaterial, may also have an adverse effect on the Group or the Continuing Group.

The Group or the Continuing Group's business, financial condition in the longer term, 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 may decline and investors may lose all or part of their investment. References in this section to the Company include references to all Group companies.

1. RISKS ASSOCIATED WITH THE PROPOSED DISPOSAL

Failure to complete Proposed Disposal

Completion of the Proposed Disposal is subject to the passing of resolution 1 at the General Meeting and is subject to Argos Limited's right of rescission in the event that prior to Completion any event occurs which has or is likely to have a material adverse effect upon the Alba and Bush Trademarks or Argos Limited's ability to acquire or use them. If Completion does not occur, Alba may experience a delay in the execution of its strategic objectives for the Group. The Return of Cash, Articles Adoption, Change of Name and LTIP Amendments are subject to, *inter alia*, the completion of the Proposed Disposal.

Exposure to Costs

The Sale Agreement contains certain warranties and indemnities in favour of Argos Limited which the Directors consider to be appropriate for a transaction of this type. If the Continuing Group should incur costs or liabilities under any of these warranties and indemnities, these costs and liabilities could have an adverse effect on its business, financial condition and results of operations. Further details of the Sale Agreement are set out in Part 11 of this Circular. The warranties and indemnities are given subject to certain limitations and time limits as described in Part 11 of this Circular.

2. RISKS ASSOCIATED WITH THE CONTINUING GROUP

The market for consumer and medical electronics

Alba may continue to experience reduced demand for products, for example through changes in consumer tastes, which the Company is slow to respond to and which could have a material impact on revenues and profitability through both pricing and volume.

Competition

The Continuing Group faces competition in all of its businesses from alternative suppliers. To stay competitive it will need to introduce successful new products and maintain competitive pricing compared to its competitors. The Continuing Group could also face competition from new competitors who may be larger than Alba. The Continuing Group's business, financial condition and results of operations may suffer if it does not compete effectively.

Retention of Key Staff

The Continuing Group's success is dependent on attracting and retaining highly qualified and skilled employees. There is intense competition for personnel from other organisations and the loss of key employees, or the failure to attract and retain other highly skilled employees, may impair the Continuing Group's ability to operate its business effectively.

Disruption to facilities

The Continuing Group operates out of several warehouse facilities in the UK and has warehouse and technical facilities in China. If one or more of these facilities suffered disruption to its operations, for example through an outbreak of fire, it could have a material impact on revenues and profitability through both pricing and volume.

Loss of suppliers

Alba sources its products from China through a number of suppliers. Certain of these suppliers are material to the business and should a number of these suppliers fail to provide Alba with products, either because of a disruption in the supply chain or because they have ceased to trade, the Continuing Group could be exposed to a lack of its products being available for sale.

Loss of key customers

The Continuing Group is dependent on retaining its key customers. Should the Continuing Group lose one or more of its key customers this could have a material impact on the Continuing Group's business, financial condition and results of operations.

Shortage, non-availability or technical fault with regard to key components

The Continuing Group is reliant on the supply, availability and reliability of key components. If there is a shortage, non availability or technical fault with any of the key components this may impair the Continuing Group's ability to operate its business efficiently and lead to potential disruption to its operations.

Possible Volatility of the Price of Ordinary Shares

The market price of Alba's Ordinary Shares may be affected by a variety of factors, including but not limited to, changes in sentiment regarding the Ordinary Shares, variations in the Continuing Group's operating results compared with the expectations of market analysts and investors, its business development or those of its competitors, the operating performance of its competitors or speculation about the Continuing Group's business. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up.

Litigation

The Company is the subject of proceedings being brought by certain members of the MPEG2 Consortium in relation to alleged patent infringements in respect of MPEG2 enabled products, further details of which are set out in paragraph 10 of Part 12 of this document.

The ultimate outcome of this litigation is subject to many uncertainties, including future events and the uncertainties inherent in litigation. The Company has a number of defences to this action and intends to fight these allegations vigorously and accordingly the Company has made no provision in its financial statements for such litigation. This litigation, however, involves substantial sums and an unfavourable outcome could have a material effect on the Company's business.

Substantial sales of Ordinary Shares

There can be no assurance that certain Directors and executive officers of the Company or other Shareholders will not elect to sell their Ordinary Shares. The market price of Ordinary Shares could decline as a result of any sales of such Ordinary Shares or as a result of the perception that these sales may occur. If these or any other sales were to occur, the Company may in the future have difficulty in offering or selling Ordinary Shares at a time or at a price it deems appropriate.

Economic Downturn

The Continuing Group operates internationally and is subject to a variety of potential risks arising out of the key economies in which it operates, for example currency fluctuations, exchange control restrictions,

banking crisis, regulations of capital investments, the ability to enforce intellectual property rights and language and certain cultural differences in countries where there are operations. These, together with any deterioration in the global political outlook, could adversely affect the Continuing Group's business, financial condition and results of operations.

Law and Regulation

The Continuing Group is subject to various international, federal, state and local regulations currently in effect and scheduled to become effective in the near future, including environmental and health and safety laws and regulations. These regulations are complex, change frequently, can vary from country to country, and have increased over time. Any breach of these obligations, or incidents relating to them, may have an adverse effect on the Continuing Group's business, financial condition and results of operations.

Exchange Rates

The Continuing Group conducts business internationally, and is therefore subject to the risks normally associated with foreign businesses, including the need to translate foreign assets and liabilities, income and expenses into Sterling. The US dollar is the major currency to which the Continuing Group will be exposed, although it is also exposed to a lesser extent to the Euro. While the Group has taken precautions to hedge foreign exchange exposure through purchases on a forward basis, there is no guarantee that it can insulate itself entirely from the effects of exchange rate fluctuations.

3. RISKS ASSOCIATED WITH THE RETURN OF CASH

Return of Cash may limit the Continuing Group's cash resources

If made, the Return of Cash will have the effect of reducing the cash resources available to the Continuing Group. It is possible that opportunities either currently exist, or will arise, of which the Board is not aware, which require cash investment above the aggregate of the amount of cash retained by the Company (after the Return of Cash) and above the existing bank facilities which will be available to the Continuing Group. If such circumstances arose, the Board of the Continuing Group would decide at the appropriate time which opportunities to invest in and how to finance such opportunities, other opportunities could potentially be missed or passed by if insufficient finance opportunities arose.

Current United Kingdom taxation legislation and practice may change

The general guide on United Kingdom taxation in relation to the Return of Cash set out in Part 9 is based on current United Kingdom tax legislation and what is understood to be the current practice of HMRC, in each case as at the date of this document. The current legislation and practice may change and any such changes may affect the taxation liabilities of Shareholders in relation to the B Shares, the Redemption and the B Share Dividend, including Alternative 1 and Alternative 2.

Forward-Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “projects”, “assumes”, “expects”, “intends”, “may”, “will”, “would”, or “should”, or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ and Company’s intentions, beliefs or current expectations concerning, among other things, the Continuing Group’s resulting operations, financial condition, liquidity, prospects, growth strategies and the industries in which the Continuing Group will operate. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, market position of the Company, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. None of these statements made in this document in any way obviates the requirements of the Continuing Group to comply with the Prospectus Rules, the Disclosure and Transparency Rules, the Listing Rules or the FSMA (including, for the avoidance of doubt, any obligation to update such information).

PART 4

DETAILS OF THE RETURN OF CASH

1. RETURN OF CASH

Subject to satisfaction of the conditions set out in paragraph 7 of this Part 4, the Board intends to return all of the Net Proceeds payable on Completion to Shareholders as detailed in this Part 4.

The Return of Cash consists of the Capital Reorganisation (see paragraph 2 below) and the Share Alternatives (see paragraphs 3 and 4 below).

2. CAPITAL REORGANISATION

To enable the Return of Cash to take effect the Board proposes to create the B Shares by capitalising a sum not exceeding £15.4 million standing to the credit of the Company's share premium account in paying up in full 51,256,685 B Shares which are to be allotted to Shareholders on the basis of one B Share for each Ordinary Share held at the Reorganisation Record Date, such B Shares to have such rights and be subject to such restrictions as are set out in the New Articles and which are summarised in Part 7 of this document and for which Shareholders' approval is being sought.

Holders of Ordinary Shares at the Reorganisation Record Date whose holdings are registered in CREST will automatically have any B Shares credited to their CREST account. The Company will apply for the B Shares to be admitted to CREST with effect from 8.00 a.m. on 16 December 2008 so that transfers of the B Shares may be settled within the CREST system. No share certificates will be issued in respect of the B Shares or the Deferred Shares.

Neither the B Shares or the Deferred Shares will be admitted to the Official List or to trading on the market for listed securities of the London Stock Exchange.

3. ALTERNATIVE 1: B SHARE DIVIDEND

Shareholders (other than US Holders) may elect to receive a B Share Dividend of 30 pence per B Share in respect of all or some of the B Shares registered in their name on the B Share Record Date.

Unless you are a US Holder, to elect for the B Share Dividend in respect of some or all of your B Shares you should follow the instructions in Part 5 of this document unless you hold your B Shares through CREST. Shareholders electing through CREST should refer to paragraph 8 of Part 12 of this document. US Holders will automatically be deemed to have elected to receive the B Share Dividend.

On the B Share Dividend Date (which is expected to be on 9 January 2009), the B Shares on which the B Share Dividend has become payable will automatically convert into Deferred Shares, with the Shareholder receiving one Deferred Share for each such B Share. The Deferred Shares will not be listed, may not be transferred, will carry extremely limited rights as more fully described in Part 8 of this document and will have negligible value.

It is expected that Shareholders who elect for Alternative 1 (or in the case of US Holders are deemed to have elected for Alternative 1) will be sent a cheque, or if they are a CREST participant be paid via CREST, in respect of the B Share Dividend by 16 January 2009.

Deferred Shares cannot be held in CREST, so any Deferred Shares to which Shareholders are entitled following declaration of the B Share Dividend will not be credited to Shareholders' CREST accounts.

The Company may automatically redeem all Deferred Shares then in issue at any time for an aggregate consideration of one penny in accordance with paragraph 3 of Part 8. This payment may be made, if the Board so determines, to charity. If the Company redeems the Deferred Shares, this will be treated as a disposal of the Deferred Shares by Shareholders. Any Deferred Shares so acquired by the Company will be cancelled.

Shareholders should carefully read Part 9 (“United Kingdom taxation in relation to the Return of Cash”) of this document, including, in particular, paragraph 2, before deciding whether to elect for the B Share Dividend.

4. ALTERNATIVE 2: REDEMPTION OF B SHARES

Shareholders (other than US Holders) may elect or be deemed to have elected to have all or some of the B Shares registered in their name on the B Share Record Date redeemed at 30 pence per B Share on the Redemption Date. To elect for the Redemption of some or all of your B Shares, you should follow the instructions in Part 5 of this document unless you hold your B Shares through CREST. Shareholders electing through CREST should refer to paragraph 8 of Part 12 of this document. It is expected that Shareholders will receive the redemption monies of 30 pence per B Share by cheque or have their CREST accounts credited by 16 January 2009. Any B Shares redeemed by the Company by way of Redemption will be cancelled and will not be reissued.

Shareholders should carefully read Part 9 (“United Kingdom taxation in relation to the Return of Cash”) of this Circular, including, in particular, paragraph 3 in respect of the Redemption.

5. ADDITIONAL TERMS OF THE SHARE ALTERNATIVES

The following terms will apply to the B Share Dividend and the Redemption:

- (i) the Election Form, any USE instruction of a Shareholder electing through CREST and all contracts resulting therefrom will be governed by and construed in accordance with English law. Execution by or on behalf of a Shareholder of an Election Form or any USE instruction submitted by a Shareholder electing through CREST will constitute their submission, in relation to all matters arising out of or in connection with such form, to the exclusive jurisdiction of the English courts; and
- (ii) no authority conferred by or agreed to by execution of the Election Form or any USE instruction submitted by a Shareholder electing through CREST shall be affected by, and all such authority shall survive, the death or incapacity of the Shareholder executing such form. All obligations of such Shareholder shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

6. ELECTION FORMS

Shareholders (other than US Holders) who hold their shares in certificated form will find enclosed a personalised Election Form and should carefully read Part 5 (“Completing your Election Form”) of this Circular in respect of how to complete the Election Form.

7. CONDITIONS TO THE IMPLEMENTATION OF THE B SHARE SCHEME AND THE RETURN OF CASH

The Return of Cash is conditional on:

- (i) completion of the Proposed Disposal; and
- (ii) the approval by Shareholders of resolutions 1 and 2 to be proposed at the General Meeting.

If the conditions at paragraphs (i) to (ii) above (inclusive) are not satisfied by 11.59 p.m. on 31 December 2008 (or such later time and/or date as the Directors may determine), no B Shares will be created and the Return of Cash will not take effect.

8. WITHDRAWAL RIGHTS

Shareholders should note that any election, whether their B Shares are held in CREST or otherwise, relating to the Share Alternatives should be made by 3.00 p.m. on 5 January 2009. Any election, whether their B Shares are held in CREST or otherwise, may be withdrawn by Shareholders at any time prior to that date. If any election is validly withdrawn, the Shareholder may make a new election as long as such new election is made by 3.00 p.m. on 5 January 2009. For a withdrawal of an election made by completion of an Election

Form to be effective, an original notice of withdrawal signed by the person(s) who signed the relevant Election Form must:

- (a) be received by post or (during normal business hours only) by hand at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 3.00 p.m. on 5 January 2009; and
- (b) specify the name(s) of the person(s) who submitted the Election Form to be withdrawn.

For a withdrawal of an election made by USE instruction, the withdrawal must be made by written notice to Capita Registrars in accordance with the USE instruction.

After 3.00 p.m. on 5 January 2009, any election is irrevocable.

If a valid election is not made by 3.00 p.m. on 5 January 2009, you will (unless you are a US Holder) be deemed to have elected Alternative 2: Redemption. If you are a US Holder, you will automatically be deemed to have elected for Alternative 1: B Share Dividend, irrespective of whether or not you make an election.

New election forms can be obtained from Capita Registrars by calling on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Return of Cash or either Share Alternative, nor give any financial, legal or tax advice.

The Company will determine all questions as to the form and validity (including time and place of receipt) of any notice of withdrawal or Election Form submitted in place of one withdrawn, in its discretion, which determination shall be final and binding. The Company also reserves the absolute right to waive any defect or irregularity in the withdrawal of any Election Form by any Shareholder and/or the submission of any new Election Form in place of one withdrawn and such determination will be binding on such Shareholder. Neither the Company nor Capita Registrars or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

9. OVERSEAS SHAREHOLDERS

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Return of Cash (including, as may be relevant in each case, the holding or disposal of the B Shares and/or the Deferred Shares) will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Shareholder not resident in the United Kingdom or a citizen, resident or national of another country wishing to receive the Return of Cash including receiving the B Share Dividend or having B Shares redeemed or otherwise disposing of any shares in the Company to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Return of Cash, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the Return of Cash, including the creation or issue of B Shares, the payment of the B Share Dividend or the Redemption constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

Each Overseas Shareholder by whom, or on whose behalf, an Election Form is executed will irrevocably represent, warrant, undertake and agree to and with the Company that such Shareholder has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in connection with any receipt or transfer of B Shares or any election of the Share Alternatives in any territory and such Shareholder has not taken or omitted to take any action which may result in the Company or any other persons acting in breach of the legal or regulatory requirements of any territory in connection with the Return of Cash or such Shareholder's receipt or transfer of B Shares or acceptance of the Share Alternatives.

Alternative 2 is not being offered into the United States and US Holders may not elect for Alternative 2. Accordingly any purported election by a US Holder will automatically be deemed an election for Alternative 1 in respect of the entirety of such US Holder's Share Entitlements and the Company shall not be required to take into account any election for any other Share Alternative that any US Holder may purport to make. As a result, US Holders will only receive the B Share Dividend.

If the Company is advised that it would or might be in breach of legal or regulatory requirements in any jurisdiction, or that the Company would or might be required to make filings or take any other action in any jurisdiction as a result of the Return of Cash (or any part of it) to a Shareholder, or an election made pursuant to an Election Form by a Shareholder, who has a registered address in any overseas jurisdiction or who is a citizen, resident or a national of a country outside the UK, such Shareholder shall be deemed to have elected to receive the B Share Dividend (unless the Company otherwise determines in its absolute discretion).

The above provisions of this paragraph relating to Overseas Shareholders may be waived or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion.

The B Shares will not be registered under the US Securities Act of 1933 or under the securities laws of any state of the United States or under any applicable securities laws of Eire, Canada, Australia, South Africa or Japan.

10. ADOPTION OF NEW ARTICLES OF ASSOCIATION

New Articles are required in order to implement the Return of Cash. The principal changes introduced in the New Articles are the rights and restrictions attaching to the B Shares and the Deferred Shares (further details of which are set out in Parts 7 and 8 of this document). In addition there are some minor consequential amendments that reflect the rights and restrictions attaching to the B Shares and Deferred Shares and that reflect the fact that sections 175 to 182 of the Companies Act 2006 relating to directors' interests have now come into force, which have not been summarised in this Circular. Copies of the proposed New Articles, together with the current Articles marked to show the changes being proposed are available for inspection as stated in paragraph 14 of Part 12 of this document.

11. THE COMPANY'S SHARE OPTION SCHEMES

None of the options granted pursuant to the Executive Scheme or the SAYE Scheme will be capable of exercise solely as a result of the Proposals. They shall continue to be capable of exercise in the future subject to any time restrictions and performance conditions made at the time of grant.

Participants under the Share Option Schemes are not entitled to participate in the Return of Cash except to the extent that they are Shareholders.

The terms of the Executive Scheme and the SAYE Scheme provide that, in the event of the transactions described in this document, the options may be varied in a fair and reasonable manner subject to the prior approval of HMRC. The Remuneration Committee acting with the authority of the Directors will seek to agree on a fair and reasonable variation of the options to take into account the transactions described in this document.

12. LTIP

As the holder of shares subject to the LTIP, the Trustee to the ESOT has the opportunity to participate in the Return of Cash. The Trustee may elect for Alternative 2 and redeem the B Shares to receive cash which will belong and be paid to the Trustee to be held by it upon the trusts of the ESOT. Details of proposed amendments to the LTIP rules to clarify the position are set out in paragraph 4.3 of Part 2 of this document.

13. DESPATCH OF DOCUMENTS

It is expected that cheques in respect of the B Share Dividend and the B Shares purchased under the Redemption will be despatched to relevant Shareholders by 16 January 2009. Cheques will be despatched at the Shareholders' own risk.

PART 5

COMPLETING YOUR ELECTION FORM

If you hold your Ordinary Shares in certificated form (and you are not a US Holder) your personalised Election Form is enclosed with this document. Shareholders who hold their shares through CREST should not complete an Election Form but instead should refer to paragraph 8 of Part 12 of this document.

It is important to note that (unless you are a US Holder) if you do nothing you will automatically receive Alternative 2: Redemption in respect of ALL of your B Shares. Therefore non-US Shareholders wishing to elect for Alternative 2: Redemption in respect of ALL of their B Shares DO NOT need to complete or return the Election Form. It is expected that, on the payment of monies in respect of the Redemption, the proceeds will generally be treated as a capital payment for United Kingdom tax purposes.

US Holders should not return an Election Form as they will not be entitled to make any election in relation to the Share Alternatives and will only be entitled to receive Alternative 1: B Share Dividend. The following paragraphs of this Part 5 do not apply to US Holders.

The following instructions set out what you need to do to inform the Company of your choice for the Return of Cash. Details of the Return of Cash are explained in Part 4 of the Circular and Shareholders should carefully read Part 4 before completing their Election Form. References to Boxes are to the Boxes indicated on the Election Form.

The Election Form shows in Box 1A the name of the Shareholder, or names of joint Shareholders, holding B Shares for which an election can be made. When the Election Form is completed the Shareholder, or all joint Shareholders, need to sign the Election Form in Box 3 and (in the case of Shareholders who are individuals) these signatures need to be witnessed (the witness must be over 18 years of age and cannot be the Shareholder or one of the joint Shareholders, although one person could separately witness the signature of all joint Shareholders).

Box 1B shows the number of Ordinary Shares held as at 26 November 2008 (being the latest practicable date before the printing of the Election Form) and is for information only. If you do not buy, sell or transfer any Ordinary Shares between 26 November 2008 and the Reorganisation Record Date or buy, sell or transfer any B Shares between the Reorganisation Record Date and the B Share Record Date, then this number will also be the number of B Shares that you will hold at the B Share Record Date and may make an election for (assuming that the expected timetable outlined in Part 1 of this document applies). If you do buy, sell or transfer any Ordinary Shares or B Shares you should take care to ensure that your election is in respect of the number of B Shares that will be registered in your name(s) on the B Share Record Date.

Shareholders should note that, as the B Shares will not be listed on any exchange, any sales, purchases or other transfers of B Shares may only be undertaken privately.

To choose one Share Alternative for all your B Shares:

To choose Alternative 2 (the capital option) and to effect the Redemption of all of your B Shares you need take no further action. You should not complete and return the Election Form. You are still encouraged to vote on the Resolutions by completing and returning your Form of Proxy in accordance with the instructions printed on it.

To Choose Alternative 1 (the income option) and to receive the B Share Dividend in relation to all your B Shares you should enter the word 'ALL' in Box 2.

To split your B Shares between the two Share Alternatives:

Enter, in numbers, the number of B Shares you wish to elect for Alternative 1: B Share Dividend in Box 2. The balance of your holding will automatically receive Alternative 2: Redemption.

The following instructions set out default positions where Election Forms are incorrectly completed:

- (a) If you fail to choose any Share Alternative you will be deemed to have elected for Alternative 2: Redemption in respect of all your B Shares.
- (b) If you leave Box 2 blank, you will be deemed to have elected for Alternative 2: Redemption in respect of your entire B Share Record Date holding of B Shares.
- (c) If you enter a number in Box 2 that is greater than your shareholding on the B Share Record Date, your election in respect of Alternative 1: B Share Dividend will be reduced to your actual B Share Record Date holding.

Notwithstanding the instructions set out above, Alba reserves the right, in its sole discretion, to accept completed Election Forms received after the relevant due date for receipt of such forms by Capita Registrars and to accept incomplete or incorrectly completed Election Forms. Alba further reserves the right in its sole discretion to reject any Election Forms if to act on the election would be illegal.

A guide to the general tax position of Shareholders resident in the United Kingdom for tax purposes as at the date of this document is set out in Part 9 of this document. You are strongly advised to read that part of this document before completing and returning your Election Form.

Final instructions on completing your Election Form

Once completed, signed and witnessed the Election Form should be returned in the reply-paid envelope provided (for use within the UK only). To be valid, Election Forms should be sent to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by Capita Registrars by 3.00 p.m. on 5 January 2009.

If you need assistance in completing the Election Form or have any queries relating to it, you should telephone the Shareholder helpline on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Return of Cash or either Share Alternative, nor give any financial, legal or tax advice.

The Board may make such determinations or arrangements with respect to Election Forms or the ability of certain Shareholders to elect for either the B Share Dividend or the Redemption as the Board may judge necessary or expedient to deal with legal or practical problems arising in any overseas territory or because of shares being represented by depository receipts or to deal with the requirements of any regulatory body or stock exchange or with any other matter whatsoever.

Alba will determine all questions as to the form and validity (including time of receipt) of any Election Form, in its absolute discretion, which determination shall be final and binding. Alba also reserves the absolute right to waive any defect or irregularity in relation to, or the receipt of, an Election Form completed by or on behalf of any Shareholder, and such determination will be binding on such Shareholder. None of Alba, Capita Registrars or any other person will be under any duty to give notification of any defect or irregularity in any Election Form or incur any liability for failure to give any such notification.

PART 6

PRO FORMA NET ASSETS FOR THE GROUP FOLLOWING THE PROPOSED DISPOSAL AND RETURN OF CASH

The following is an unaudited pro forma statement of consolidated net assets of the Group following the Proposed Disposal and the Return of Cash, which is based on the net assets of the Group as at 30 September 2008, and has been prepared in accordance with the notes set out below. The unaudited pro forma statement of consolidated net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results following the Proposed Disposal and the Return of Cash. Its purpose is to illustrate the effect on the consolidated net assets of Alba as if the Proposed Disposal and the Return of Cash had been effected on 30 September 2008.

Proforma net assets

	<i>30 September 2008 £'millions</i>	<i>Adjustments Disposal of Trade Marks £'millions</i>	<i>Adjustments Return of cash £'millions</i>	<i>Pro Forma net assets £'millions</i>
Non-current assets				
Property, plant & equipment	21.3	–	–	21.3
Other receivables	5.5	–	–	5.5
Total non-current assets	<u>26.8</u>	<u>–</u>	<u>–</u>	<u>26.8</u>
Current assets				
Inventories	14.9	–	–	14.9
Trade receivables and other receivables	18.4	–	–	18.4
Financial Assets				
– derivative financial instruments	0.3	–	–	0.3
Tax recoverable	0.7	–	–	0.7
Cash	21.1	14.8	(15.4)	20.5
Total current assets	<u>55.4</u>	<u>14.8</u>	<u>(15.4)</u>	<u>54.8</u>
Total assets	<u>82.2</u>	<u>14.8</u>	<u>(15.4)</u>	<u>81.6</u>
Current liabilities				
Trade and other payables	(13.2)	–	–	(13.2)
Income tax	(1.4)	–	–	(1.4)
Provisions	(1.4)	–	–	(1.4)
Total current liabilities	<u>(16.0)</u>	<u>–</u>	<u>–</u>	<u>(16.0)</u>
Total liabilities	<u>(16.0)</u>	<u>–</u>	<u>–</u>	<u>(16.0)</u>
Total net assets	<u>66.2</u>	<u>14.8</u>	<u>(15.4)</u>	<u>65.6</u>

Notes to the pro forma financial information:

1. The pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by Alba plc in its last financial statements.
2. The first column "30 September 2008" represents the consolidated net assets of the Group as at 30 September 2008, which have been extracted without adjustment from the unaudited 2008 Interim Report of Alba plc.
3. The column "Disposal of Trade Marks" represents the estimated proceeds of the disposal net of expenses.
4. The column "Return of cash" represents the proposed return of cash to Shareholders.
5. The column "Pro Forma net assets", being the sum of the preceding columns, represents the pro forma net assets of the Group as at 30 September 2008 following the Proposed Disposal and the Proposed Return of Cash.
6. No adjustment has been made to the unaudited pro forma statement of consolidated net assets of the Group to reflect the trading results since 30 September 2008.

ACCOUNTANT'S REPORT ON PRO FORMA FINANCIAL INFORMATION



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The Directors
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and

Investec Investment Banking
(a division of Investec Bank (UK) Limited)
2 Gresham Street
London EC2V 7QP

27 November 2008

Dear Sirs

ALBA PLC PROPOSED DISPOSAL AND RETURN OF CASH TO SHAREHOLDERS DOCUMENT DATED 27 NOVEMBER 2008 (THE "DOCUMENT")

We report on the pro forma financial information set out in Part 6 of the Document, which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the disposal of the Alba and Bush Trademarks and the Return of Cash to Shareholders might have affected the financial information presented on the basis of the accounting policies adopted by Alba plc in preparing the audited annual results for the twelve months ended 31 March 2008. This report is required by Listing Rule (LR) 13.5.31 and is given for the purpose of complying with that Regulation and for no other purpose.

Responsibilities

It is the responsibility of the Directors of Alba to prepare the pro forma financial information in accordance with LR 13.5.31.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the pro forma financial information and to report our 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 of Alba plc.

We planned and performed our work so as to obtain the information and explanations 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 and that such basis is consistent with the accounting policies of Alba plc.

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 Alba plc.

Yours faithfully

UHY Hacker Young LLP

UHY Hacker Young LLP is a limited liability partnership registered in England and Wales with Registered Number OC327384. A list of members' names and their professional qualifications is available for inspection at the Registered Office at the above address.

Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

A member of UHY Hacker Young Group of independent partnerships.

A member of UHY an international association of independent accounting and consulting firms.

PART 7

RIGHTS AND RESTRICTIONS ATTACHING TO THE B SHARES

The following summarises the rights of the B Shares and the restrictions to which they are subject, which are reflected in the New Articles which are proposed to be adopted at the General Meeting.

1. Elections in respect of B Shares

- (a) Shareholders (other than US Holders) have been sent an Election Form together with the Circular under which they can elect in relation to any of the B Shares held by them to have them redeemed on the Redemption Date or to receive the B Share Dividend.
- (b) Holders of B Shares (other than US Holders who are deemed to have elected to receive the B Share Dividend) who have not returned a duly completed Election Form or provided a USE instruction through the CREST system by 3.00 p.m. on 5 January 2009 (or such later time and/or date as the Board may determine) will have all of their B Shares redeemed on the Redemption Date.
- (c) The Board may, if it so determines in its absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed.
- (d) The Board may make such determinations or arrangements with respect to Election Forms or the ability of certain Shareholders to elect for either the B Share Dividend or the Redemption as the Board may judge necessary or expedient to deal with legal or practical problems arising in any overseas territory or because of shares being represented by depositary receipts or to deal with the requirements of any regulatory body or stock exchange or with any other matter whatsoever.

2. Income – B Share Dividend (Alternative 1)

Shareholders who have elected for Alternative 1 (B Share Dividend) together with US Holders shall be entitled to receive, out of the profits available for distribution, a single dividend of 30 pence for each B Share elected to be subject to Alternative 1. Each B Share in respect of which the B Share Dividend is payable, shall on the B Share Dividend Date (or such other date as the Board of the Company shall determine) be automatically reclassified as a Deferred Share of 30 pence nominal value. The rights and restrictions attaching to the Deferred Shares are summarised in Part 8 of this document.

3. Redemption (Alternative 2)

Subject to the provisions of the Act and to the provisions of the New Articles, Shareholders (other than US Holders) who have elected for Alternative 2 (Redemption) and, unless the Board determines otherwise, those Shareholders not making a valid election before 3.00 p.m. on 5 January 2009, will have their B Shares redeemed by the Company on the Redemption Date (or such other date as the Board shall determine) for the sum of 30 pence in respect of each B Share in respect of which they have elected, or are deemed to have elected, to be subject to Alternative 2. All B Shares which are redeemed will immediately and automatically be cancelled.

4. Capital – return of capital on winding-up

On a return of capital on winding-up (but in no other circumstances involving a repayment of capital or distribution of assets to Shareholders whether by reduction of capital, redeeming or buying back shares or otherwise), the holders of B Shares will be entitled, before any payment to the holders of Ordinary Shares or Deferred Shares, to repayment of the sum of 30 pence in respect of each B Share held by them respectively.

The holders of B Shares shall not be entitled to any further right of participation in the assets of the Company. If on a winding-up the amount available for payment is insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share on a *pro rata* basis in the distribution of assets (if any) in proportion to the amounts to which they would otherwise be entitled.

5. Attendance and voting at general meetings

The holders of B Shares shall not be entitled to receive notice of general meetings of the Company or to attend, speak or vote at such general meetings in respect of their B Shares.

6. Class rights

The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the B Shares, and on such creation, allotment or issue, any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares.

A reduction by the Company of the capital paid up on the B Shares shall be in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (in accordance with the Act) without obtaining the consent of the holders of the B Shares including by paying to the holders of the B Shares the preferential amounts to which they are entitled as set out in paragraph 4 above.

7. Form, transferability and listing

No share certificates or other documents of title shall be issued in relation to the B Shares in respect of which the B Share Dividend is paid or which are redeemed by the Company on the Redemption Date.

The holders of B Shares cannot renounce their B Shares. Any transfer of B Shares must be effected in writing and either in the usual or standard form or in any other form approved by the Board. Every transfer of uncertificated B Shares must be carried out using a relevant system (e.g. CREST).

No application has been, or will be, made to the UK Listing Authority for the B Shares to be admitted to the Official List or to the London Stock Exchange for the B Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

PART 8

RIGHTS AND RESTRICTIONS ATTACHING TO THE DEFERRED SHARES

The following summarises the rights of the Deferred Shares and the restrictions to which they are subject, which are reflected in the New Articles which are proposed to be adopted at the General Meeting.

1. Income

The Deferred Shares shall confer no right to participate in the profits of the Company.

2. Capital – return of capital on winding-up

On a return of capital on a winding-up (but in no other circumstances involving a repayment of capital or distribution of assets to Shareholders whether by reduction of capital, redeeming or buying back shares or otherwise), the holders of Deferred Shares will be entitled to the amount paid up or treated as paid up on the nominal value of each Deferred Share but after:

- (a) first, paying to the holders of B Shares 30 pence per B Share held by them; and
- (b) secondly, paying to the holders of Ordinary Shares the amount paid up or treated as paid upon the nominal value of each Ordinary Share together with the sum of £1,000,000 on each Ordinary Share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

3. Redemption

Subject to the provisions of the Act and to the provisions of the New Articles, the Company may at its discretion, at any time, without prior notice, redeem some or all of the Deferred Shares then in issue, in each case for a total aggregate price not exceeding one pence for all such Deferred Shares redeemed. This payment may be made, if the Board so determines, to charity. All Deferred Shares shall, upon redemption, immediately and automatically be cancelled.

4. Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such general meeting in respect of their Deferred Shares.

5. Class rights

The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of holders of Deferred Shares.

A reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (in accordance with the Act) without obtaining the consent of the holders of the Deferred Shares.

6. Forms and transferability

No share certificates or other documents of title shall be issued in relation to the Deferred Shares.

The Deferred Shares shall not be transferable except with the written consent of the Board.

No application has been, or will be, made to the UK Listing Authority for the Deferred Shares to be admitted to the Official List or to the London Stock Exchange for the Deferred Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

PART 9

UNITED KINGDOM TAXATION IN RELATION TO THE RETURN OF CASH

The comments below are intended as a general guide only and are based on current United Kingdom tax law and HMRC's published practice. The comments below apply only to Shareholders who are resident in the United Kingdom for tax purposes and who hold their Ordinary Shares, and who will hold their B Shares, beneficially as investments and not on trading account. The tax consequences may be different for any future disposal and may alter between the date of this document and the implementation of the Return of Cash.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser without delay.

1. B Share Scheme

For the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains ("CGT") the receipt of B Shares arising from the B Share Scheme will be a reorganisation of the share capital of the Company. Accordingly, the B Shares will be treated as the same asset as the Shareholder's holding of Ordinary Shares, and as having been acquired at the same time as the Shareholder's holding of Ordinary Shares was acquired. As a result of the B Share Scheme a Shareholder's original base cost in his or her Ordinary Shares will be apportioned between his or her Ordinary Shares and the B Shares by reference to their respective market values on the day on which the B Shares are issued.

2. Alternative 1: B Share Dividend

Income tax

The Company is not required to withhold tax at source when paying the B Share Dividend.

A United Kingdom resident individual Shareholder who is liable to income tax at the starting or basic rate will pay no tax on the B Share Dividend unless it takes that Shareholder's income into the higher rate tax band.

A United Kingdom resident individual Shareholder who is liable to income tax at the higher rate will be liable to pay tax equal to 25 per cent. of the cash dividend received to the extent that the gross dividend, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate income tax being £36,000 (for the tax year 2008/09), after deducting that Shareholder's relevant personal allowances.

United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be liable to pay tax on the B Share Dividend.

United Kingdom resident corporate Shareholders will generally not be subject to corporation tax on the B Share Dividend.

Non-United Kingdom resident Shareholders will not generally be able to claim repayment of any tax from HMRC under any double tax treaty in respect of the B Share Dividend. A Shareholder resident outside the United Kingdom may be subject to taxation on dividend income under local law. Shareholders who are not resident in the United Kingdom (for tax purposes) should consult their own tax adviser concerning their tax liabilities on dividends received from the Company.

Taxation of chargeable gains

For CGT purposes, the B Share Dividend (and the consequent conversion of the B Shares into Deferred Shares) will not be treated as giving rise to a disposal or part disposal of the B Shares.

Shareholders who receive the B Share Dividend should note that, consequent to the Capital Reorganisation, a proportion of the base cost, for CGT purposes, of their Ordinary Shares will be attributed to the B Shares

and this amount will continue to be attributed to those B Shares following their conversion into Deferred Shares (notwithstanding that the Deferred Shares have limited rights and value). Correspondingly, only a proportion of the base cost of the original holding of Ordinary Shares will be available on a disposal of Ordinary Shares.

Explanation of how base cost will be apportioned

A repurchase of the Deferred Shares will be treated as described in paragraph 3 below and may result in a Shareholder realising a capital loss. It should be noted that the Finance Act 2006 contains provisions (which took effect from 5 December 2005) restricting the use in certain circumstances of capital losses by Shareholders liable to corporation tax. Corporate Shareholders should also note that it is possible that section 30 of the Taxation of Chargeable Gains Act 1992 could be regarded as being applicable to such a Shareholder who elects for the B Share Dividend. If that provision applies, the effect would be broadly to deny any capital loss arising on the disposal of the Deferred Shares to the extent that the loss arises as a consequence of the payment of the B Share Dividend.

3. Alternative 2: Redemption of B Shares

A sale of B Shares by a Shareholder pursuant to the Redemption should generally be treated as a normal third party disposal for UK tax purposes. Accordingly the Directors have been advised that:

- (i) On redemption of the B Shares, a Shareholder may, depending on his individual circumstances, be subject to CGT on the amount of any chargeable gain realised. Any gain or loss will be measured by reference to the redemption price and the Shareholder's base cost in the B Shares disposed of. Shareholder's are referred to paragraph 1 above for information on how the base cost attributable to their B Shares will be determined in the computation of their gain or loss arising.
- (ii) The amount of CGT, if any, payable by an individual Shareholder in relation to the chargeable gain described in paragraph 3(i) above will depend on his personal tax position. No tax will be payable on any gain realised on the Redemption if the amount of the chargeable gain, when aggregated with other chargeable gains realised by the Shareholder in the year of assessment in question, does not exceed the annual allowance of tax-free gains (£9,600 for the tax year 2008/2009). Broadly, any gains in excess of this amount will be taxed at the flat rate of 18 per cent.
- (iii) A corporate Shareholder is taxable on all of its chargeable gains. Corporate Shareholders are entitled to indexation allowance up to the date the chargeable gain is realised.
- (iv) Generally, the proceeds received by a Shareholder pursuant to the Redemption will not be an income distribution in the Shareholder's hands and will not constitute investment income in the hands of a corporate Shareholder. Please see paragraph 4 below for further detail.

4. Anti-avoidance Provisions

You should be aware of an anti-avoidance provision, contained in Chapter 1 of Part 13 of the Income Tax Act 2007 (and sections 703 to 707 of the Income and Corporation Taxes Act 1988), which permits HMRC in certain circumstances to counteract a tax advantage obtained in consequence of certain transactions in securities. If these Provisions apply United Kingdom resident individuals and trustee Shareholders might be liable to taxation as if they had received a dividend equal to the price received for their B Shares.

No clearance has been sought from HMRC that it will not apply these provisions in relation to cash received pursuant to the Return of Cash. Although these provisions can technically apply to transactions such as the Redemption of the B Shares as above, this would depend on the particular circumstances and reasons of each Shareholder concerned. It is felt that there would be a reasonable argument in the face of any attempt by HMRC to apply the provisions of Chapter 1 of Part 13 of the Income Tax Act 2007 (and sections 703 to 707 of the Income and Corporation Taxes Act 1988) in this situation. The arrangements here are similar to those used in a number of cases by companies in recent years returning surplus capital to Shareholders.

5. Stamp Duty and Stamp Duty Reserve Tax

Except in relation to depository receipt arrangements or clearance services to which special rules apply:

- (i) No stamp duty or stamp duty reserve tax (“**SDRT**”) will be payable on the issue of the B Shares.
- (ii) An agreement to sell B Shares will normally give rise to liability on the purchaser to SDRT at the rate of 0.5 per cent. of the actual consideration paid. If an instrument of transfer of the B Shares is subsequently produced it will generally be subject to stamp duty at the rate of 0.5 per cent. of the actual consideration paid (rounded up to the nearest £5). When such stamp duty is paid, the SDRT charge will be cancelled and any SDRT already paid will be refunded. Stamp duty and SDRT are generally the liability of the purchaser.
- (iii) For the avoidance of doubt, the Redemption of B Shares will not give rise to any liability to stamp duty or SDRT for the Shareholder.
- (iv) There will be no stamp duty or SDRT charge if the B Shares are converted into Deferred Shares.

PART 10

THE PROPOSED AMENDMENT TO THE RULES OF THE LTIP

The following sets out the amendments which are proposed to be made to the rules of the LTIP under resolution 4 to be proposed at the General Meeting. The full text of the amended rules will be on display from the date of the document until the end of the General Meeting.

“14A AMENDMENTS TO THE PLAN RULES CONSEQUENTIAL ON THE RETURN OF CASH TO SHAREHOLDERS

14A.1 The Plan has been amended in accordance with the resolution of Directors with the consent of the Trustee to permit the Trustee to choose Alternative 2 and hold and participate in the redemption of the B shares under the return of cash.

14A.2 The proceeds of the redemption of the B shares set out in Rule 14A.1 shall belong and be paid to the Trustee to be held by it upon the trusts of the Trust.

14A.3 In this Rule 14A the defined terms have the same meanings as in those set out in the circular to shareholders relating to the return of cash to shareholders.”

PART 11

FURTHER INFORMATION ON THE SALE AGREEMENT

1. Sale Agreement

The following is a summary of the material terms of the Sale Agreement. The Sale Agreement is available for inspection as described in paragraph 14 of Part 12 of this document.

Alba Broadcasting, Alba and Argos Limited entered into the Sale Agreement on 26 November 2008. Pursuant to the Sale Agreement, Alba Broadcasting and Alba shall sell to Argos Limited the Alba and Bush Trademarks.

1.1 *The Alba and Bush Trademarks*

Pursuant to the Sale Agreement, Alba Broadcasting and Alba have agreed to dispose of the Alba and Bush Trademarks.

1.2 *Licence in respect of Small Domestic Appliances*

The Alba and Bush Trademarks are sold subject to Alba Broadcasting's existing exclusive licence of the Bush trademark in the United Kingdom to Pulse Home Products Limited ("Pulse") in respect of Small Domestic Appliances ("Pulse Licence"). Under the Sale Agreement, Alba Broadcasting will assign its rights in the Pulse Licence to Argos Limited.

The Pulse Licence has an initial term which expires on 21 August 2012. Pulse may renew the Pulse Licence for a further 5 years. If Pulse does not renew the Pulse Licence and Argos Limited commences use of the Bush trademark in connection with Small Domestic Appliances, Argos Limited must pay £200,000 per annum for the period during which such trademark is used. The obligation to make such payments shall cease on 22 August 2017.

1.3 *Consideration*

Under the Sale Agreement, the consideration due to Alba Broadcasting and Alba shall be the payment of £15,250,000, to be paid on Completion.

1.4 *Condition to Completion*

Completion of the Sale Agreement is conditional upon the approval of Shareholders at the General Meeting.

If the condition is not satisfied on or before 31 December 2008, any party may terminate the Sale Agreement.

1.5 *Recission*

In the event that any event occurs prior to Completion of the Sale Agreement which has or is likely to have a material adverse effect upon the Alba and Bush Trademarks or Argos Limited's ability to acquire or use them, Argos Limited may terminate the Sale Agreement.

1.6 *Undertakings of Alba Broadcasting and Alba up to Completion*

The Sale Agreement contains certain undertakings given by Alba Broadcasting and Alba to Argos Limited regarding the maintenance of the Alba and Bush Trademarks in the period up to Completion.

1.7 *Warranties and Indemnities*

Under the Sale Agreement, Alba Broadcasting and Alba have given certain warranties and indemnities to Argos Limited which are usual for a transaction of this nature.

The warranties provided to Argos Limited include warranties relating to the capacity of Alba Broadcasting and Alba to enter into the Sale Agreement and customary confirmations in relation to certain aspects of the Alba and Bush Trademarks and the ownership of the assets to be sold.

The indemnities provided to Argos Limited are customary for a transaction of this nature and, *inter alia*, include indemnities against any liabilities relating to any claim for infringement of third parties' intellectual property rights arising out of Alba Broadcasting's and Alba's use of the Alba and Bush Trademarks, any claims arising as a consequence of the distribution by Alba Broadcasting and Alba of Alba and Bush Products prior to Completion (save for such products sold to Argos Limited which are regulated by the terms of supply of such products) and any claims arising from the selling of Alba and Bush Products after Completion in accordance with paragraph 1.8 below or from Pulse's use of the Alba and Bush Trademarks pursuant to the licence referred to in paragraph 1.2 above.

Any claims under the warranties are subject to certain limitations including the specified time periods within which to bring certain claims against Alba Broadcasting and Alba and liability caps that are usual for a transaction of this nature. The liability caps also apply to any claims under the indemnities and limit Alba Broadcasting's and Alba's liability to £15.25 million (being the total consideration payable under the Sale Agreement).

1.8 ***Transitional Arrangements***

Following Completion, Alba Broadcasting and Alba shall be permitted to continue to distribute their existing stock of Alba and Bush Products until 30 June 2009 (subject to Alba Broadcasting and Alba honouring all product returns in accordance with existing warranty/returns practices and policies).

1.9 ***Alba and Bush Name***

Subject to certain rights expressly granted for a transitional period following Completion, Alba Broadcasting and Alba shall procure that no member of the Alba Group shall use any of the Alba and Bush Trademarks following Completion and each member within the Alba Group (other than Alba Broadcasting and Bush Australia which are not required to change their names) is required to change its corporate name to one which does not include an Alba and Bush Trademark.

PART 12

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors, whose names appear in paragraph 3.1 below of this document, 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. The Company

- 2.1 The Company was incorporated and registered in England and Wales on 2 April 1963 with registered number 00756128 under the Companies Act 1948 as a company limited by shares with the name Harris Overseas Limited. On 23 June 1982 the Company changed its name to Harvard International Limited. On 28 August 1987 the Company changed its name to Alba plc and reregistered as a public limited company. The Ordinary Shares are admitted to the official list and admitted to trading on the London Stock Exchange's market for listed securities.
- 2.2 The registered office, head office and the principal place of business of the Company is at Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS (telephone number +44 20 8238 7660).
- 2.3 The principal legislation under which the Company operates is the Act and the regulations made under the Act.

3. Directors

- 3.1 The names and principal functions of the Directors of the Company are set out below:

Bridget Penelope Blow	<i>Non-Executive Chairman</i>
Daniel Bruce Harris	<i>Chief Executive</i>
Andrew David Rose	<i>Finance Director</i>
Michael Ashley	<i>Executive Director</i>
Paul Edward Selway-Swift	<i>Senior Independent Non-Executive Director</i>
Anthony Patrick Shearer	<i>Non-Executive Director</i>

- 3.2 Other than the individuals listed under section 3.1, there are no members of the administrative, supervisory or management bodies who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's prospects.

4. Directors' interests

- 4.1 As at 26 November 2008, being the latest practicable date prior to the date of this document, the Directors' interests in the issued share capital of the Company (all of which are beneficial unless otherwise stated) which are required to be notified to the Company pursuant to the Disclosure and Transparency Rules and the existence of which is known to or could with reasonable diligence be ascertained by the relevant Director, were as follows:

<i>Director's Name</i>	<i>No. of Ordinary Shares</i>	<i>Non-Beneficial</i>	<i>Total</i>	<i>Percentage of Current Issued Share Capital</i>
Bridget Blow	10,000	–	10,000	0.02%
Daniel Harris ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	6,089,818	900,000	6,989,818	13.64%
Andrew Rose ⁽⁴⁾⁽⁵⁾	231,649	–	231,649	0.45%
Michael Ashley	–	–	–	–
Paul Selway-Swift	5,760	–	5,760	0.01%
Anthony Shearer	–	–	–	–

Notes:

- (1) Daniel Harris has a beneficial interest in 1,800,000 Ordinary Shares which are held through a trust.
- (2) Daniel Harris has a non-beneficial interest of 900,000 Ordinary Shares by virtue of being a trustee of a trust.
- (3) Daniel Harris and his sister, Allyson Jane Kaye are jointly beneficially interested in 540,000 Ordinary Shares.
- (4) In addition to the interests disclosed at paragraph 4.3 below.
- (5) In addition to the interests disclosed at paragraph 4.4 below.

4.2 The total number of Ordinary Shares in issue as at 26 November 2008 was 51,256,685 Ordinary Shares.

4.3 As at 26 November 2008, being the latest practicable date prior to the date of this document, the following options over Ordinary Shares have been granted to Directors under the Share Option Schemes and remain outstanding:

<i>Director's Name</i>	<i>Scheme</i>	<i>No. of Ordinary Shares</i>	<i>Exercise Price (p)</i>	<i>Exercise Period</i>
Daniel Harris	1996 Executive Share Option Scheme*	100,000	73.25	08.01.2011 – 07.01.2015
Andrew Rose	1996 Savings-Related Share Option Scheme	568	350.0	01.02.2010 – 31.07.2010
	1996 Savings-Related Share Option Scheme*	29,366	62.4	01.03.2015 – 31.08.2015
	1996 Executive Share Option Scheme*	40,955	73.25	08.01.2011 – 07.01.2018
	1996 Executive Share Option Scheme*	59,045	73.25	08.01.2011 – 07.01.2015
Michael Ashley	1996 Savings-Related Share Option Scheme*	15,384	62.4	01.03.2011 – 31.08.2011
	1996 Executive Share Option Scheme	8,042	373.0	01.07.2008 – 30.06.2015
	1996 Executive Share Option Scheme	1,958	373.0	01.07.2008 – 30.06.2012
	1996 Executive Share Option Scheme*	100,000	73.25	08.01.2011 – 07.01.2015

*Granted under the renewed Schemes.

Outstanding options granted under the terms of the Alba plc 1996 Executive Share Option Schemes are not normally exercisable until the third anniversary of the date of grant and are subject to the following performance conditions:

Over a continuous period of at least three years commencing no earlier than the financial year during which the option is granted, the average percentage growth in the adjusted EPS (earnings per share) of the Company must exceed the average percentage growth in the Retail Prices Index over the same

period by a minimum of 2 per cent. per annum. These conditions were based on standard practice at the time the Share Option Schemes were established.

Outstanding options granted under the terms of the renewed Alba plc 1996 Executive Share Option Scheme are not normally exercisable until the third anniversary of the date of grant and are subject to the following performance conditions:

Should the increase in the share price between the date of grant and the third anniversary of the grant be:

- (i) over 30 per cent., then 25 per cent. of the option granted can be exercised,
- (ii) over 60 per cent. then 100 per cent. of the option granted can be exercised,
- (iii) between 30 per cent. and 60 per cent., the number that can be exercised will be determined by a straight line graph.

4.4 As at 26 November 2008, being the latest practicable date prior to the date of this document, the Directors have the following interests in Ordinary Shares under the LTIP:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Effective date of award</i>
Bridget Blow	–	–
Daniel Harris	121,733	1 July 2006
Andrew Rose	82,252	1 July 2006
Michael Ashley	–	–
Paul Selway-Swift	–	–
Anthony Shearer	–	–

Under the LTIP, a conditional award of Ordinary Shares is made on terms that the relevant Ordinary Shares will be held by the ESOT in trust for a period of three years from the award date (the “performance period”) and their release is conditional and will be allocated in equal proportions to the achievement of two performance targets during the performance period. The performance criteria which must be met for the awards set out above to vest require (i) the increase in the Company’s total shareholder return to outperform the applicable sub-section of the FTSE Actuaries Industry Sector by 9 per cent. or more; and/or (ii) the Company’s average percentage increase in Earnings Per Share during its three financial years commencing on 1 April immediately preceding the award date to exceed the average percentage increase in the Retail Prices Index during the same period by 3 per cent. per annum or more. In the event that either performance criteria is met 50 per cent. of the shares conditionally awarded will be released.

4.5 Praxis Trustees Limited, which is licensed by the Guernsey Financial Services Commission, is the trustee of the ESOT.

4.6 The ESOT is an independent trust which holds the shares for the benefit of employees of the Group. As at 26 November 2008, being the latest practicable date prior to the date of this document the ESOT held 678,112 Ordinary Shares.

4.7 Save as set out in this paragraph 4, none of the Directors has any interest in the issued share capital of the Company.

4.8 No Director and no person connected with a Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was material to the business of the Group and which was effected by a member of the Group during the current or immediately preceding financial year or during any earlier financial year and which remains in any respect outstanding or unperformed.

5. Director's Service Contracts

5.1 Apart from Michael Ashley who has a contract of employment with Alba Broadcasting, each of the Executive Directors has a service agreement with the Company and each of the Non-Executive Directors has a letter of appointment with the Company. Details of the principal terms of employment or appointment (including salary) are set out below. Apart from Michael Ashley, whose contractual notice period is six months, each of the Executive Directors is employed on a rolling service contract subject to one year's notice. Details of the employing Group company, the dates of each service or employment contract and each Directors current annual salary are as follows:

<i>Name</i>	<i>Date of contract</i>	<i>Employing Group Company</i>	<i>Current annual salary</i>
Daniel Harris	4 September 1987	Alba plc	£350,000
Andrew Rose	4 September 1987	Alba plc	£250,000
Michael Ashley	4 October 2004	Alba Broadcasting Corporation Limited	£250,000

5.2 The service contracts of Daniel Harris, Andrew Rose and Michael Ashley have been amended to provide for an annual salary review in April each year.

5.3 Each Executive Director is entitled to a car allowance and benefit of private medical and death in service insurance.

5.4 Each of Daniel Harris, Andrew Rose and Michael Ashley are entitled to receive contributions by the Company to a stakeholder pension scheme of 19.8 per cent., 19.7 per cent. and 10 per cent. respectively, of their annual salaries.

5.5 Daniel Harris, Andrew Rose and Michael Ashley are entitled to a cash bonus scheme which has a maximum of 75 per cent. of salary and pays:

25 per cent. of salary for achieving budget (the achieved numbers include the cost of the scheme);

10 per cent. of salary for 90 per cent. of budget achieved (nothing for less);

50 per cent. of salary for 10 per cent. over budget and 75 per cent. of salary for 15 per cent. over budget.

A straight-line graph determines the points between 10 per cent. and 75 per cent. of salary.

5.6 Under the terms of each service contract, on termination by the employing company, except in the case of dismissal for cause, the employing company shall make a payment to the Executive Director equal to:

(a) the Executive Director's basic salary for the period of notice; and

(b) the cost of provision of pension and benefits for the notice period.

Such payment will be reduced proportionally in the event that the Executive Director works part of his period of notice.

5.7 Neither Paul Selway-Swift nor Anthony Shearer, the independent Non-Executive Directors of the Company, nor Bridget Blow, the Non-Executive Chairman, has any service contract with the Company or any period of notice for termination of their appointment. Their reappointment is considered every three years by the Board and, if the Board recommend such reappointment, by the Company. There are no compensation provisions for early termination of Non-Executive Director appointments.

5.8 Save as disclosed in this paragraph 5, there have been no other benefits which are receivable by the Directors upon termination of their employment.

6. Share capital

- 6.1 Insofar as is known to the Company, as at 26 November 2008 (being the latest practicable date prior to the publication of this document), the following persons other than Directors are interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company:

<i>Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>
GAM	8,185,012	15.97%
Mr. J E Harris, father of Daniel Harris	8,020,821	15.65%
Schroders plc	6,994,025	13.65%
Legal & General Investment Management Ltd.	5,833,222	11.38%
Mrs. A J Kaye, sister of Daniel Harris	6,100,367	11.90%
Gartmore Investment Management	2,471,418	4.82%
Henderson Global Investors	2,250,077	4.39%

- 6.2 Save as set out in paragraphs 4.1 and 6.1, the Company is not aware of any person who is interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company.

7. Working capital

- 7.1 The Company is of the opinion that, after taking into account the Net Proceeds and bank facilities available to the Continuing Group following the Proposed Disposal and Return of Cash, and on the assumption that the Return of Cash is implemented in full, the Continuing Group as a whole has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this document.

8. CREST

8.1 *Electing in CREST*

If your Shares are held in uncertificated form you do not have to complete or return an Election Form. You are able to make an election with respect to your B Shares by means of a USE instruction through the CREST system after your CREST account has been credited with B Shares at 8.00 a.m. on 16 December 2008 (or such later date as the Board may determine). The latest time for receipt of USE instructions from CREST Shareholders is 3.00 p.m. on 5 January 2009.

If you do not send a valid USE instruction for settlement by 3.00 p.m. on 5 January 2009, you will be treated as having chosen Alternative 2: Redemption in respect of all your B Shares.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will (after the B Shares have been credited to your CREST account at 8.00 a.m. on 16 December 2008 or such later date as the Board may determine) be able to confirm details of your participant ID and the member account ID under which your B Shares are held. In addition, only your CREST sponsor will be able to send the USE instruction to Euroclear in relation to the B Shares in respect of which you are making an election.

If you wish to elect for Alternative 1: B Share Dividend in respect of some or all of your B Shares you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a USE instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the USE instruction to settle in CREST, the following details:

- the number of B Shares to which the election relates;
- your participant ID;
- your member account ID from which the B Shares are to be debited;

- the participant ID of Capita Registrars. This is RA10;
- the member account of Capita Registrars pursuant to Alternative 1: B Share Dividend. This is ALBAALT1;
- the temporary ISIN of the B Shares, which is GB00B3FJRX41;
- the corporate action number for the B Shares. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date, which should be as soon as possible and in any event no later than 3.00 p.m. on 5 January 2009;
- input with standard delivery instruction priority of 80; and
- your name and contact number inserted in the shares note field.

Further information on the specific elections available to Shareholders is set out below.

8.2 *Validity of Elections*

USE instructions not completed in accordance with the instructions printed thereon or in this document will not be valid. Subject to the specific provisions of this and the following paragraph, the Directors may treat as valid in whole or in part a USE instruction which is received by Capita Registrars or otherwise on behalf of the Company which is not entirely in order or in correct form or which is received by it in any other form or manner determined by either Capita Registrars or the Company otherwise than as set out in this document.

8.3 *Withdrawal Rights in CREST*

Shareholders who hold B Shares in CREST who wish to withdraw their elections may do so by written notice to Capita Registrars in accordance with the USE instruction to be received by Capita Registrars before 3.00 p.m. on 5 January 2009.

If you validly revoke your USE instruction and fail to advise Capita Registrars of your revised choice you will be deemed to have elected for Alternative 2: Redemption in respect of all your B Shares.

9. **Material contracts**

The following contracts are all of the contracts (not being contracts entered into in the ordinary course of business) which (i) have been entered into by the Continuing Group within the two years preceding the date of this document and are, or may be, material; or (ii) (regardless of when entered into) are contracts which contain provisions under which any member of the Continuing Group has an obligation or entitlement which is material to the Continuing Group as at the date of this document:

9.1 *Sale Agreement*

The Sale Agreement entered into in relation to the Proposed Disposal, details of which are set out in Part 11 of this document.

9.2 *Roadstar Sale Agreement*

Alba Europe entered into a sale agreement dated 12 December 2007 with Antonio Coda, pursuant to which the entire issued share capital of the Roadstar Group was sold to Antonio Coda for a consideration of €1. No warranties or indemnities were given by Alba Europe pursuant to this agreement, other than standard warranties relating to title to the shares.

9.3 *Roadstar Management Deed of Waiver*

Pursuant to the Roadstar Management Deed of Waiver dated 1 February 2008, Harvard Maritime released and discharged Roadstar Management from the obligation to repay to Harvard Maritime the

sum of US\$5,486,000. Roadstar Management also agreed to pay certain sums to Harvard Maritime and Alba Europe and to pay Harvard Maritime a percentage of its future profits.

9.4 *Roadstar Italia Deed of Waiver*

Pursuant to the Roadstar Italia Deed of Waiver dated 1 February 2008, Harvard Maritime released and discharged Roadstar Italia from the obligation to repay Harvard Maritime the amount of US\$822,000.

9.5 *Roadstar Trade Mark Licence*

Pursuant to the Roadstar Trade Mark Licence dated 1 February 2008, Roadstar Management granted to Roadstar UK Limited, a company within the Group, a royalty free licence to sell Roadstar branded products within the United Kingdom and the Republic of Ireland for a period of four years following the disposal of the Roadstar Group.

9.6 *Grundig Sale Agreement*

Alba Europe entered into a sale agreement dated 18 December 2007 with Beko and Arcelik A.S. pursuant to which Alba Europe sold its 50 per cent. stake in the share capital of Grundig to Beko. The consideration for the sale was the sum of €35million together with certain deferred payments the quantum of which are dependent upon the future sales of Grundig products. No warranties or indemnities were given by Alba Europe pursuant to the agreement, other than standard warranties relating to capacity and title to the shares.

9.7 *Grundig Trade Mark Licence*

Alba entered into the Grundig Trade Mark Licence dated 18 December 2007 with Grundig and Grundig Consumer Electronics Limited. Pursuant to this licence Grundig granted to Grundig Consumer Electronics Limited, a company within the Group, a royalty free licence to use the Grundig trademarks in the United Kingdom and the Republic of Ireland in relation to the promotion, distribution and sale of certain Grundig products. The term of the licence runs until 31 December 2010, unless it is terminated earlier for breach.

9.8 *Leisure Division Sale Agreement*

Alba entered into a sale agreement dated 4 August 2007 with Vine Mill Limited for the purchase by Alba of Hinari Limited and the subsequent sale by Alba to Vine Mill Limited of the entire issued share capital of Pulse Home Products Limited and its subsidiaries Viva (Consumer Products) Limited, Dreamland Appliances Limited, Hinari Limited and Pulse Home Products (Hong Kong) Limited together with the leisure trade and business of Harvard International for a total aggregate consideration of £51.5 million, subject to adjustment in accordance with the terms of the sale agreement.

9.9 *Intragroup Transfer Agreement*

Pursuant to the sale agreement referred to in paragraph 9.8 above, an intragroup transfer agreement between Harvard Maritime (1), Harvard International (Hong Kong) Limited (2) and Pulse Home Products (Hong Kong) Limited (3) dated 22 August 2007, was entered into. Under the terms of the agreement, the leisure business carried on by Harvard Maritime and Harvard International (Hong Kong) Limited was transferred to Pulse Home Products (Hong Kong) Limited (save for the employees who were to be transferred at a later date to be agreed by the parties) for a total aggregate consideration of £50,000.

9.10 *Grundig Australia Agreement*

Pursuant to an acquisition agreement dated 10 September 2007 entered into between Grundig and Bush Australia in respect of the sale and purchase of the entire issued share capital of Grundig Australia, Grundig sold to Bush Australia the entire issued share capital of Grundig Australia. The consideration was an amount of AUS\$1.00.

The agreement included no warranties save in relation to title to the shares and the capacity of Grundig to enter into the agreement. There was also an indemnity from Grundig to Bush Australia in respect of any damages or losses as a result of any breach of the warranties.

9.11 *Purchase of Accounts Receivable Agreement*

Pursuant to the agreement for the purchase of the Grundig Australia accounts receivables and the assignment of claim dated 10 September 2007 entered into between Grundig and Bush Australia, Bush Australia acquired the AUS\$4,808,000 accounts receivable debt owed by Grundig Australia to Grundig. The consideration for the assignment of debts was AUS\$225,000 subject to amendment should the debt decrease in nominal value by 50 per cent. Grundig gave no warranties in relation to the agreement.

9.12 *Australian Trade Mark Licence*

Pursuant to the Australian Trade Mark Licence, Bush Australia licensed the trade mark “Grundig” in Australia, New Zealand and the Australian Islands to manufacture or have manufactured all products bearing the trade marks owned by Grundig (including the “Grundig” trademark) including all consumer electronic products for personal, portable and home use. Such products can be sold and distributed by Bush Australia in such territories. The Australian Trade Mark Licence expires on the date falling five years from 10 September 2007 unless terminated earlier upon one of the grounds set out in the licence. The use of the “Grundig” trademark by Bush Australia is free of charge.

9.13 *Amendment to Australian Trade Mark Licence*

Pursuant to the Amendment to the Australian Trade Mark Licence, Bush Australia agreed with Grundig to, *inter alia*, extend the term of the licence to five years from 18 December 2007, to amend the category of products which Bush Australia can sell so as to exclude major white goods such as dishwashers, refrigerators, washing machines and air conditioners and to remove the requirement that Bush Australia remains an affiliate of Beko.

9.14 *Intra group business purchase agreement*

Pursuant to an intra-group business purchase agreement dated 28 March 2008, the entire businesses and assets (including trademarks) of Bush Radio Public Limited Company, Alba Radio Limited, Goodmans Industries Limited and Harvard International were transferred to Alba Broadcasting. The transfers had an effective date of 1 April 2008. The consideration payable for the transfers was as follows: (i) (£29,192,667) for the business and assets of Bush Radio Public Limited Company; (ii) (£7,881,510) for the business and assets of Alba Radio Limited; (iii) (£4,688,584) for the business and assets of Goodmans Industries Limited; and (iv) £19,414,906 for the business and assets of Harvard International. Pursuant to the agreement the transferors indemnified Alba Broadcasting against all liabilities arising from the businesses prior to the effective date and Alba Broadcasting indemnified the transferors against all liabilities arising from the businesses on and from the effective date. No warranties were given under the agreement.

There have been no contracts (save for any contracts entered into in the ordinary course of business) which have been entered into within the two years preceding the date of this document which are, or may be, material in relation to the Alba and Bush Trademarks or which (regardless of when entered into) contain a material obligation or entitlement in respect of the Alba and Bush Trademarks, save as set out in paragraph 9.14 above.

10. Litigation

10.1 Save as set out in paragraph 10.2 below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document which may have or have had in the recent past, significant effects on the Continuing Group’s financial position or profitability.

- 10.2. Certain members of the MPEG2 Consortium have instigated legal proceedings against Alba in the UK and Germany in relation to alleged patent infringements in respect of MPEG 2 enabled products. At present, the basis of the claims as brought makes the amount of the claims unquantifiable. Alba has been advised that it has a number of strong defences to this action and intends to fight these allegations vigorously. Alba does not believe that it has a material liability, and accordingly has made no provision in its accounts.
- 10.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document which may have or have had in the recent past significant effects on the financial position or profitability of the Alba and Bush Trademarks.

11. Significant change

- 11.1 Other than as a result of the current challenging market conditions which have led the Company to take a more conservative view for the likely outcome of the Christmas selling period (the effect of which on the Company is set out on page 7 of this document) there has been no significant change in the financial or trading position of the Continuing Group since 30 September 2008, being the date to which the interim results for the period ended 30 September 2008 were made up.
- 11.2 There has been no significant change in the financial or trading position of the Alba and Bush Trademarks since 30 September 2008, being the date to which the interim results for the period ended 30 September 2008 were made up.

12. Related party transactions

- 12.1 Save as set out in paragraph 12.2 of this Part 12 and paragraph 5 of Part 2 of this document the Company confirms that there have been no related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No. 1606/2002) involving the Company during the last three financial years ended 31 March 2006, 2007 and 2008 and for the period between 31 March 2008 and 27 November 2008 (being the date of this document).
- 12.2 Alba Europe sold the Roadstar Group to Antonio Coda, a related party for the purposes of the Listing Rules, on 12 December 2007. Details of the transaction are summarised in paragraphs 9.2 to 9.5 of this Part 12.

13. Miscellaneous

- 13.1 UHY Hacker Young LLP has given and has not withdrawn its written consent to the inclusion herein of the references to its name and to the report on the "Pro forma net assets for the Group following the Proposed Disposal and Return of Cash" as set out in Part 6 in the form and context in which they are included.
- 13.2 Investec Investment Banking has given and has not withdrawn its written consent to the inclusion herein of the references to its name in the form and context in which they are included.

14. Documents available for inspection

- 14.1 Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office, Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, from the date of this document up to and including the date of the General Meeting:
- (a) the Memorandum and Articles of Association of the Company;
 - (b) the audited consolidated accounts of the Company for the years ended 31 March 2006, 31 March 2007 and 31 March 2008;

- (c) the material contracts referred to in paragraph 9 of this Part 12;
- (d) the Directors' service contracts referred to in paragraph 5 of this Part 12;
- (e) the written consents referred to above at paragraph 13 of this Part 12;
- (f) this document, the Form of Proxy and the Election Form;
- (g) the proposed New Articles which are to be adopted by the Company pursuant to resolution 2 together with the current Articles of Association marked to show the changes;
- (h) the full terms of the proposed amendments to the LTIP; and
- (i) the interim results of the Company for the period ended 30 September 2008.

27 November 2008

PART 13

DEFINITIONS

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

“Act”	the applicable provisions of the Companies Act 1985 and the Companies Act 2006 from time to time in force and as they are supplemented and amended
“Alba and Bush Products”	products (other than Small Domestic Appliances) which are marketed or sold under the Alba and Bush Trademarks and/or to which the Alba and Bush Trademarks are applied and new products in development to which the Alba and Bush Trademarks are intended to be applied by a member of the Group
“Alba and Bush Trademarks”	includes the following assets: <ul style="list-style-type: none">(a) the trademarks Alba and Bush and all registrations of them worldwide except in Australia and New Zealand together with any goodwill attaching to such trademarks(b) specified domain names which include the Alba and Bush Trademarks except for domain names ending .com.au, .net.au or .co.nz(c) any intellectual property owned by Alba Broadcasting or any member of the Alba Group relating to the Alba and Bush Products including all designs and packaging in respect of such products(d) copies of the designs and samples of the packaging relating to the Alba and Bush Products(e) copies of any know-how (including lists of suppliers) which is part of the intellectual property relating to the Alba and Bush Products(f) the rights of the Alba Group under certain contracts relating to the assets which are to be sold
“Alba Broadcasting”	means Alba Broadcasting Corporation Limited, a company registered in England and Wales with company number 02521772
“Alba Europe”	Alba Europe Limited, a company registered in England and Wales with company number 2238907
“Alternative 1”	the B Share Dividend alternative
“Alternative 2”	the Redemption alternative
“Amendment to Australian Trade Mark Licence”	the amendment agreement dated 18 December 2007 between Grundig and Bush Australia relating to the Australian Trade Mark Licence
“Argos Limited”	a company registered in England and Wales with company number 01081551
“Articles Adoption”	the proposed adoption of the New Articles pursuant to resolution 2 as set out in the General Meeting Notice

“Articles of Association” or “Articles”	the articles of association of the Company
“Australian Trade Mark Licence”	the trade mark licence and distribution agreement dated 1 April 2007 which came into effect on 10 September 2007 between Grundig and Bush Australia
“Beko”	Beko Elektronik A.S. a company incorporated in Turkey under number 93237/0
“B Share Dividend”	the dividend of 30 pence to be paid on each B Share to Shareholders electing for Alternative 1 on such B Shares, as described in paragraph 2 of Part 7 of this document
“B Share Dividend Date”	the date upon which the B Share Dividend shall become payable, being 9 January 2009 (or such other date as the Directors may determine)
“B Share Record Date”	4.30 p.m. on 5 January 2009 or such other time(s) and date(s) as the Directors may determine from time to time
“B Shares”	non cumulative redeemable preference shares of 30 pence each to be allotted and issued pursuant to the Capital Reorganisation and carrying the rights and restrictions to be set out in the New Articles proposed to be adopted at the General Meeting and which are summarised in Part 7 of this document
“B Share Scheme”	the Return of Cash to be effected through the B Shares
“Bush Australia”	Bush Australia Pty Limited a company registered in Australia
“Capita Registrars”	a trading name of Capita Registrars Limited
“Capital Reorganisation”	the reorganisation of the Company’s share capital comprising the issue of B Shares
“Cash Proceeds”	means the sum of £15.25 million payable in cash on Completion
“certificated” or “certificated form”	not in uncertificated form (that is not in CREST)
“Change of Name”	the proposed change of name of the Company to Harvard International plc
“Circular”	this document
“Company” or “Alba”	Alba plc, a company registered in England and Wales under number 00756128
“Completion”	completion of the Proposed Disposal
“Continuing Group”	Alba and its subsidiary undertakings (as defined in the Act) following the Proposed Disposal
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof

“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“Deferred Shares”	the deferred shares of 30 pence each, being the class of shares into which those B Shares on which the B Share Dividend is paid will be reclassified, the rights and restrictions attaching to which are set out in the New Articles proposed to be adopted at the General Meeting and which are summarised in Part 8 of this document
“Directors” or “Board”	the current directors of the Company whose names are set out in paragraph 3.1 of Part 12 of this Circular
“Disclosure and Transparency Rules”	the disclosure and transparency rules of the FSA made under Part VI of FSMA
“Dreamland Appliances Limited”	a company registered in England and Wales with company number 00931627
“EIRE”	the Republic of Ireland
“Election Form”	the form of election enclosed with this document by which a Shareholder (other than a US Holder) may choose between the Share Alternatives
“ESOT”	the Alba plc ESOP Trust
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Scheme”	the 1996 Executive Share Option Scheme
“Form of Proxy”	the form of proxy for use at the General Meeting enclosed with this document
“FSA” or “Financial Services Authority”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“General Meeting”	the General Meeting of the Company to be held at 10.00 a.m. on 15 December 2008
“General Meeting Notice”	the notice of the General Meeting set out at the end of this document
“Group” or the “Alba Group”	the Company and its subsidiaries from time to time
“Grundig”	Grundig Multimedia B.V. a company incorporated in the Netherlands under number 34203485
“Grundig Australia”	Grundig Australia Pty Limited
“Grundig Sale Agreement”	the agreement dated 18 December 2007 between Alba Europe, Beko and Arcelik A.S. in respect of the sale of Grundig
“Grundig Trade Mark Licence”	the trade mark licence entered into between Grundig, Grundig Electronics and Alba

“Harvard International”	Harvard International Limited a company registered in England and Wales with company number 584286
“Harvard Maritime”	Harvard Maritime Limited a company incorporated in Hong Kong under number 701195
“HMRC”	Her Majesty’s Revenue and Customs and, where relevant, any predecessor body which carried out part of its functions and references to any approval by HMRC shall, where appropriate, include approval by an officer of Her Majesty’s Revenue and Customs
“Home Retail Group plc”	a company registered in England and Wales with company number 05863533
“Investec Investment Banking” or “Investec”	Investec Investment Banking, a division of Investec Bank (UK) Limited
“ISA”	individual savings account
“Leisure Division Sale Agreement”	the sale agreement dated 4 August 2007 with Vine Mill Limited relating to the purchase by Alba of Hinari Limited and the subsequent sale by Alba to Vine Mill Limited of the entire issued share capital of Pulse Home Products Limited and its subsidiaries Viva (Consumer Products) Limited, Dreamland Appliances Limited, Hinari Limited and Pulse Home Products (Hong Kong) Limited together with the leisure trade of Harvard International
“Listing Rules”	the rules and regulations made by the FSA under Part VI of FSMA (as amended from time to time)
“London Stock Exchange”	London Stock Exchange PLC
“LTIP”	the long term incentive plan adopted by the Company on 18 September 1998 and amended by a resolution of the Directors passed on 5 December 2000
“LTIP Amendments”	the proposed amendments to be made to the LTIP as set out in Part 10
“Net Proceeds”	The Cash Proceeds less any expenses associated with the Proposed Disposal (approximately £0.4 million), totalling approximately £14.85 million
“New Articles”	the articles of association to be adopted pursuant to resolution 2 as set out in the General Meeting Notice
“Official List”	the Official List of the FSA
“Ordinary Shares”	issued fully paid ordinary shares of 10 pence each in the share capital of the Company
“Overseas Shareholders”	a Shareholder who has a registered address in, or who is resident in, or a citizen of, countries other than the United Kingdom
“PD Regulation”	Commission Regulation (EC) No. 809/2004
“PEP”	personal equity plan
“Proposals”	the Proposed Disposal, the Return of Cash, the Change of Name, the Articles Adoption and the LTIP Amendments

“Proposed Disposal”	the proposed disposal pursuant to the Sale Agreement of the Alba and Bush Trademarks
“Prospectus Rules”	the rules and regulations made by the FSA pursuant to Part VI of FSMA
“Redemption”	the redemption by the Company of the B Shares on the Redemption Date for a redemption amount of 30 pence per share and the cancellation of such B Shares
“Redemption Date”	the date on which the Redemption shall be made, expected to be 9 January 2009 (or such other date as the Board may determine)
“Remuneration Committee”	the duly authorised remuneration committee of the Board
“Reorganisation Record Date”	11.00 p.m. on 15 December 2008 or such other time(s) and date(s) as the Directors may determine from time to time
“Resolutions”	the resolutions to be proposed as separate resolutions at the General Meeting and set out in the General Meeting Notice
“Return of Cash”	the proposed transaction comprising of the Capital Reorganisation and the Share Alternatives.
“Risk Factors”	the risk factors set out in Part 3 of this document
“Roadstar Group”	Roadstar Management, Roadstar Italia, Alba France SA, Roadstar Deutschland GmbH, Roadstar Spain SL, Roadstar Overseas Services Limited and RS Roadstar Electronics (Malaysia) Sdn Bhd
“Roadstar Italia”	Roadstar Italia S.p.A. a company incorporated in Italy under number 04266610155
“Roadstar Italia Deed of Waiver”	the agreement dated 1 February 2008 entered into between Harvard Maritime and Roadstar Italia
“Roadstar Management”	Roadstar Management SA a company incorporated in Switzerland under number CH-524.3.000.352-4
“Roadstar Management Deed of Waiver”	the agreement dated 1 February 2008 entered into between Harvard Maritime and Roadstar Management
“Roadstar Sale Agreement”	the agreement dated 12 December 2007 between Alba Europe and Antonio Coda in respect of the sale of the Roadstar Group
“Roadstar Trade Mark Licence”	the trade mark licence entered into between Roadstar Management and Roadstar UK Limited
“Sale Agreement”	the sale agreement between Alba Broadcasting, Alba and Argos Limited dated 26 November 2008
“SAYE Scheme”	the 1996 Savings-Related Share Option Scheme
“Securities Act”	US Securities Act 1933, as amended, and the rules and regulations promulgated thereunder
“Share Alternatives”	Alternative 1 and Alternative 2 or either of them as the context may require
“Share Entitlements”	the entitlements of Shareholders to receive one B Share for each Ordinary Share

“Share Option Schemes”	the existing share option schemes of the Company as at the date of this document being the Executive Scheme and the SAYE Scheme
“Shareholders”	holders of Ordinary Shares
“Small Domestic Appliances”	a small domestic appliance which is able to stand on a table top. This excludes major domestic appliances (for example, ovens and fridges which in each case are designed to stand on the floor) and any consumer electronics products
“Sterling”	UK pounds sterling
“Trustee”	Praxis Trustees Limited
“UHY”	UHY Hacker Young LLP
“uncertificated” or “in uncertificated form”	a share the title of which is recorded in the relevant register of the share concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, maybe transferred by means of CREST
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“US” or “United States”	the United States of America, its territories and possessions, any state in the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“USE instruction”	an unmatched stock event instruction as defined in the CREST Manual
“US Holders”	(i) holders who have an address in the United States on the register of members of the Company, and (ii) any person resident in the United States who holds shares in the Company including directly or through a nominee, and (iii) persons who appear, at any time, to the Directors to fall within paragraph (ii) of this definition
“US Securities Commission” or “SEC”	the US Securities and Exchange Commission
“VAT”	value added tax

Alba plc

(Registered in England & Wales No: 756128)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Alba plc (the “**Company**”) will be held at 10.00 a.m. on 15 December 2008 at the offices of the Company, Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 4 will be proposed as separate ordinary resolutions and resolutions 2 and 3 will be proposed as separate special resolutions:

1. THAT:
 - 1.1 the proposed disposal by the Company and Alba Broadcasting Corporation Limited (the “**Proposed Disposal**”) of the Alba and Bush Trademarks (as each is defined in the circular to shareholders dated 27 November 2008 (the “**Circular**”), a copy of which has been produced to the Meeting and, for the purposes of identification, initialled by the chairman of the Meeting (the “**Chairman**”) on the terms and subject to the conditions of the sale agreement dated 26 November 2008 entered into between Alba Broadcasting Corporation Limited (1), the Company (2) and Argos Limited (3) (the “**Sale Agreement**”) being the agreement described in Part 11 of the Circular be and is hereby approved for the purposes of the Listing Rules; and
 - 1.2 the Directors (or a duly authorised committee thereof) be and are hereby authorised to complete the Sale Agreement and all other agreements or deeds for which the Sale Agreement provides and to make such variations and amendments to the terms and conditions thereof as the Directors may approve and as are non-material in the context of the Proposed Disposal and to do, approve and execute all other acts, things and documents necessary or desirable, in order to effect or facilitate the Proposed Disposal.
2. THAT conditional upon the passing of resolution 1 and completion of the Proposed Disposal:
 - 2.1 the authorised share capital of the Company be and is hereby increased from £6,000,000 to £21,377,005.50 by the creation of 51,256,685 new non-cumulative redeemable preference shares of 30 pence each (“**B Shares**”) having the rights and restrictions set out in the New Articles of the Company as proposed to be adopted pursuant to sub-paragraph 2.2.3 of this resolution below;
 - 2.2 the Directors of the Company be and are hereby authorised:
 - 2.2.1 to capitalise a sum not exceeding £15.4 million standing to the credit of the Company’s share premium account and to apply such sum in paying up in full the relevant number of B Shares that may be allotted pursuant to the authority given by sub-paragraph 2.2.2 below;
 - 2.2.2 pursuant to section 80 of the Companies Act 1985 (as amended) (and so that the authority in this resolution shall be in addition to any other authority granted to the Directors of the Company under section 80 of the Companies Act 1985 (as amended)) to exercise all the powers of the Company to allot and issue credited as fully paid up B Shares up to an aggregate nominal amount of £15,377,005.50 (which amounts to 51,256,685 B Shares) on the basis of 1 B Share for every Ordinary Share of 10 pence each in the capital of the Company held at 11.00 p.m. on 15 December 2008 (or such other time and/or date as the Directors may determine) provided this authority shall (unless previously revoked, varied or extended by the Company in general meeting) expire at the conclusion of the next annual general meeting of the Company or the date being 15 months from the date of the passing of this resolution whichever is the earlier, save that the Company may, before such expiry, make an offer, agreement or arrangement which would or might require B Shares to be allotted after the expiry of such period and the Directors of the Company may then allot B Shares pursuant to any such offer, agreement or arrangement as if the authority or power conferred hereby had not expired;

2.2.3 with effect from the conclusion of the General Meeting, the proposed new Articles of Association of the Company (the “**New Articles**”) produced to the Meeting and signed by the Chairman for the purposes of identification be adopted in substitution for and to the exclusion of the current Articles of Association of the Company.

3. THAT conditional upon the passing of resolution 1 and completion of the Proposed Disposal, the name of the Company shall be changed to Harvard International plc.
4. THAT conditional upon the passing of resolutions 1 and 2 and completion of the Proposed Disposal, the amendments to the rules of the long term incentive plan adopted by the Company on 18 September 1998 and amended by a resolution of the Directors passed on 5 December 2000 (the “**LTIP**”) shown on the copies produced to the General Meeting and signed by the Chairman for the purposes of identification (the “**Amended LTIP Rules**”) be approved, subject to the consent of the trustee (the “**Trustee**”) to the Company’s employee benefit trust (the “**EBT**”) and that the Directors of the Company be authorised to make the appropriate amendments to the LTIP to give effect to the Amended LTIP Rules;

By order of the Board
John Edwin Malin FCA
Company Secretary

Registered office:
Bush House
The Waterfront
Elstree Road
Elstree
Hertfordshire
WD6 3BS

27 November 2008

Notes:

1. A member entitled to attend and vote at the above mentioned Meeting is entitled to appoint a Proxy or Proxies to attend, speak and vote in his/her place. A member may appoint more than one Proxy in relation to the Meeting provided that each Proxy is appointed to exercise rights attached to a different share or shares held by the member. If you wish to appoint more than one Proxy, please contact the Company’s Registrars. A Proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the Meeting in person.
2. A Form of Proxy is enclosed with this Notice. To be valid, the Form of Proxy (together, if appropriate, with the power of attorney or other written authority under which it is signed or an office copy or a certified copy of such power or authority) must be received at the office of the Company’s Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham BR3 4TU not later than 48 hours before the time appointed for holding the Meeting.
3. A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (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 2 above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders in the register of members of the Company as at 10.00 a.m. on 13 December 2008 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 the entries in the register of members of the Company after 10.00 a.m. on 13 December 2008 will be disregarded in determining the rights of any person to attend or vote at the Meeting.
5. As at 26 November 2008 (being the last practicable business day prior to the publication of this Notice) the Company’s issued share capital consists of 51,256,685 Ordinary Shares carrying one vote each of which no shares are held in treasury. Therefore the total voting rights in the Company as at 26 November 2008 are 51,256,685.
6. CREST members who wish to appoint a Proxy or Proxies through the CREST Electronic Proxy Appointment Service may do so for the Meeting and any adjournment(s) of the Meeting by using 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.
7. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“Euroclear”) 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 an amendment to the instruction given to a previously appointed Proxy must, in order to be valid, be transmitted as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of Proxy appointments specified in Note 2 above. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers 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 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/her 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.

8. Members may also appoint a Proxy electronically by visiting the website of Capita Registrars, www.capitashareportal.com. Members wishing to appoint a Proxy electronically will require their unique investor code which is shown in the Form of Proxy.
9. In order to facilitate voting by Corporate Representatives at the Meeting, arrangements will be put in place at the Meeting so that (a) if a corporate member of the Company has appointed the Chairman of the Meeting as its Corporate Representative to vote on a poll in accordance with the directions of all of the other Corporate Representatives for that member at the Meeting, then on a poll those Corporate Representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as Corporate Representative in accordance with those directions; and (b) if more than one Corporate Representative for the same corporate member of the Company attends the Meeting but the corporate member of the Company has not appointed the Chairman of the Meeting as its Corporate Representative, a designated Corporate Representative will be nominated, from those Corporate Representatives who attend, who will vote on a poll and the other Corporate Representatives will give voting directions to that designated Corporate Representative. Corporate members of the Company are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on Proxies and Corporate Representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (a) above.
10. Copies of the following documents will be available for inspection at the Company's registered office, Bush House, The Waterfront, Elstree Road, Elstree, Hertfordshire WD6 3BS and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of the Circular up to and including the date of the Meeting:
 - (a) the Memorandum and Articles of Association of the Company;
 - (b) the audited consolidated accounts of the Company for the years ended 31 March 2006, 31 March 2007 and 31 March 2008;
 - (c) the material contracts referred to in paragraph 9 of Part 12 of the Circular;
 - (d) the Directors' service contracts referred to in paragraph 5 of Part 12 of the Circular;
 - (e) the written consents referred to in paragraph 13 of Part 12 of the Circular;
 - (f) the Circular, the Form of Proxy and the Election Form;
 - (g) the proposed New Articles which are to be adopted by the Company pursuant to resolution 2 together with the current Articles of Association marked to show the changes;
 - (h) the full terms of the proposed amendments to the LTIP; and
 - (i) the interim results of the Company for the period ended 30 September 2008.
11. As soon as practicable following the Meeting, the results of the voting at the Meeting and the numbers of Proxy votes cast in respect of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website (www.albapl.com). A summary of the business transacted at the Meeting will be available from the Company Secretary on written request.