THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you should seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in White Young Green, please forward this Document together with the enclosed Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

The Existing Issued Ordinary Shares are listed on the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. Application will be made for the listing of the Existing Issued Ordinary Shares listed on the Official List to be cancelled and for the Post-Consolidation Ordinary Shares to be admitted to trading on AIM. It is expected that cancellation will take place at 8.00 a.m. on 4 February 2010 and that admission to AIM will become effective and that dealings will commence on AIM at 8.00 a.m. on 4 February 2010.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this Document.

WHITE YOUNG GREEN PLC

(Incorporated under the Companies Act 1948 and registered in England and Wales with registered number 1869543)

Proposed Restructuring

Proposed Placing to the Lenders and Issue to the New Employee Benefit Trust

Cancellation of admission of Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities

Admission to trading on AIM

Share Reorganisation

Share Consolidation

Approval of waiver of Rule 9 of the City Code on Takeovers and Mergers

Approval of Related Party Transactions

Approval of New Share Incentive Plans

Notice of Extraordinary General Meeting

The whole of this Document and any documents incorporated herein by reference should be read by Shareholders, including the risk factors set out on pages 29 to 39 of this Document when deciding on what action to take in relation to the Restructuring. Your attention is drawn to the letter from the Independent Directors of White Young Green that is set out in Part I of this Document.

Capitalised terms in this Document have the meaning ascribed to them in the ''Definitions'' section on pages 108 to 115 of this Document. Certain information in relation to the Company and the Group is incorporated by reference into this Document, for which see Part VIII (''Information Incorporated by Reference'') of this Document.

References to times are to London time unless otherwise stated. References to dates and times in this Document should be read as being subject to adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates, but Shareholders may not receive any further written communication.

Rothschild, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for the Company as sponsor and financial adviser in connection with the matters described in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in connection with the matters described in this Document or the contents of this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild by FSMA or the regulatory regime established thereunder, Rothschild does not accept any responsibility whatsoever, and makes no representation or warranty, express or implied, for the contents of this Document including its accuracy, completeness or verification or for any other statement made or purported to be made by Rothschild, the Company or any other person, in connection with the Company, the New Ordinary Shares, the Placing, or any other matter described in this Document and nothing in this Document shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Rothschild accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Document or any such statement.

The Restructuring set out in this Document is very important and requires your close attention.

The Board believes that without the Restructuring the Group would not be able to operate within its existing bank facilities.

The Board is of the view that alternative sources of finance are very unlikely to be available if the Restructuring does not proceed and that the Group would be unable to sustain its position as a going concern.

It is likely that failure to pass the Restructuring Resolutions by Shareholders would lead to the Group entering into administration or some other form of insolvency procedure. This would, in the Board's opinion, result in Shareholders receiving no value for their current shareholdings.

Shareholders are therefore strongly recommended to vote in favour of all of the Resolutions to be proposed at the EGM.

TABLE OF CONTENTS

		Page
Expected timetable of principal events		4
Share capital statistics		5
Directors, company secretary and advisers		6
Part I	Letter from the Independent Directors of White Young Green	7
Part II	Risk factors	29
Part III	Summary of the Restructuring Agreements	40
Part IV	Summary of the principal terms of the White Young Green Joint Share Ownership Plan 2009, the White Young Green Performance Share Plan 2009 and the One-Off Award	51
Part V	Information on White Young Green	61
	Section A – Historical financial information on White Young Green	61
	Section B – Audited results for the year ended 30 June 2009	63
	Section C – Business overview	94
Part VI	Summary historical financial information on Lloyds Banking Group, RBS and Fortis	96
Part VII	Additional information	98
Part VIII	Information incorporated by reference	107
Definitions		108
Notice of Extraordinary General Meeting		116

HELPLINE

If you have any questions relating to this Document or the Extraordinary General Meeting, please call the Shareholder helpline operated by Salisbury Associates on freephone 0800 012 6256 (or, from outside the United Kingdom, +44 121 201 0378 – calls will be charged at applicable international rates) between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding bank or public holidays). Please note that the Shareholder helpline cannot provide advice on the merits of the matters to be considered at the Extraordinary General Meeting nor can it give any financial, legal or taxation advice or accept proxy voting instructions.

If you have any questions relating to the completion and return of your Form of Proxy or CREST proxy voting, please call Capita Registrars on 0871 664 0321 (or, from outside the United Kingdom, +44 208 639 3399) between 9.00 a.m. and 5.00 p.m. Monday to Friday. Calls to 0871 664 0321 cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to these numbers may be monitored for security and training purposes. The helpline cannot provide advice on the merits of the matters to be considered at the Extraordinary General Meeting nor can it give any financial, legal or taxation advice or accept proxy voting instructions.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS[1][2]

Event	Time and / or date
Circular and Form of Proxy published	9 December 2009
Latest time and date for receipt of Forms of Proxy	2.00 p.m. on 4 January 2010
Extraordinary General Meeting	2.00 p.m. on 6 January 2010
Announcement of the results of the Extraordinary General Meeting	6 January 2010
Record date for the Share Consolidation	5.00 p.m. on 6 January 2010
AIM pre-Admission announcement	6 January 2010
Consolidation of Existing Ordinary Shares and New Ordinary Shares under the Share Consolidation	6 January 2010
Post-Consolidation New Ordinary Shares in uncertificated form to be credited to accounts in CREST (where applicable)	8 January 2010
Despatch of share certificates for the Post-Consolidation Ordinary Shares in certificated form (where applicable)	15 January 2010
Last day of dealings in Existing Issued Ordinary Shares on the Official List	3 February 2010
Cancellation of listing of Existing Issued Ordinary Shares on the Official List and from admission to trading on the London Stock Exchange's main market for listed securities	8.00 a.m. on 4 February 2010
Admission of, and commencement of trading in, Post-Consolidation Ordinary Shares on AIM	8.00 a.m. on 4 February 2010

Notes:

1. References to times in this Document are to London time unless otherwise stated.
2. The times and dates set out in the expected timetable of principal events above and mentioned throughout this Document may be adjusted by White Young Green (with the agreement of the Sponsor) in which event details of the new times and dates will be notified to the UK Listing Authority, the Panel, the London Stock Exchange and, where appropriate, Shareholders.

SHARE CAPITAL STATISTICS

Number of Ordinary Shares in issue [(1)]	52,964,456
Number of Ordinary Shares and Deferred Ordinary Shares in issue following the Share Reorganisation (prior to the Share Consolidation) [(2)]	52,964,456 Ordinary Shares of one penny nominal value and 52,964,456 Deferred Ordinary Shares of four pence nominal value
Number of New Ordinary Shares to be issued as part of the Restructuring (prior to the Share Consolidation)	299,934,417
Placing Price	Approximately 7.6 pence
Basis of the Share Consolidation	1 Post-Consolidation Ordinary Share for every 10 Ordinary Shares
Number of Post-Consolidation Existing Ordinary Shares [(2)]	5,296,445
Number of Post-Consolidation New Ordinary Shares	29,993,441
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital immediately following completion of the Restructuring and Share Consolidation	85.0 per cent.
Enlarged Issued Share Capital	35,289,886 Ordinary Shares
Conversion of debt to equity as a result of the Restructuring	Approximately £52.9 million
Number of Post-Consolidation New Ordinary Shares to be issued to the Lenders	21,362,330
Number of Post-Consolidation New Ordinary Shares to be issued to the New Employee Benefit Trust	8,631,111
Number of ''A'' Preference Shares to be issued as part of the Restructuring	27.6 million
Number of ''B'' Preference Shares to be issued as part of the Restructuring	2.4 million
Estimated expenses of the Restructuring	£4.9 million

Notes:

1. As at 8 December 2009 (being the latest practicable date prior to the publication of this Document).
2. Assuming that no further Ordinary Shares are issued as a result of the exercise of any options under White Young Green's Share Incentive Schemes between the posting of this Document and completion of the Restructuring.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Robert Michael McTighe *(Non-Executive Chairman)* Paul Christopher Hamer *(Chief Executive Officer)* David Charles Wilton *(Group Finance Director)* Graham Dudley Olver *(Group Services Director and Company Secretary)* John Desmond Richardson *(Non-Executive Director)* Robert George Anthony Barr *(Non-Executive Director)*
Company Secretary	Graham Dudley Olver
Registered office, address and main switchboard number	Arndale Court Headingley Leeds LS6 2UJ Telephone: +44 (0)113 278 7111
Financial adviser and Sponsor	Rothschild 1 Park Row Leeds LS1 5NR
Corporate broker	RBS Hoare Govett Limited 250 Bishopsgate London EC2M 4AA
Nominated Adviser	Arbuthnot Securities Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
Legal advisers	Eversheds LLP Bridgewater Place Water Lane Leeds LS11 5DR
Auditors	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Reporting accountants	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
Receiving agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

LETTER FROM THE INDEPENDENT DIRECTORS OF WHITE YOUNG GREEN

(Incorporated and registered in England and Wales with registered number 1869543)

Directors:	*Registered office:*
Robert Michael (Mike) McTighe *(Non-Executive Chairman)*	Arndale Court
Paul Christopher Hamer *(Chief Executive Officer)*	Headingley
David Charles Wilton *(Group Finance Director)*	Leeds
Graham Dudley Olver *(Group Services Director and Company Secretary)*	LS6 2UJ
John Desmond Richardson *(Non-Executive Director)*	
Robert George Anthony Barr *(Non-Executive Director)*	9 December 2009

To all Shareholders, and, for information only, to White Young Green Share Incentive Schemes Participants under the Share Incentive Schemes

1. Introduction

The Board announced on 30 October 2009 that it had signed heads of terms with the Lenders for the refinancing of the Company's bank facilities, combined with a broader restructuring of the Company's capital structure, which includes the conversion of approximately £52.9 million of the Group's indebtedness into New Ordinary Shares and Preference Shares. The Restructuring is conditional on, amongst other things, Shareholder approval of the Proposals.

The purpose of the Restructuring, which is described below, is to reduce the level of the Group's debt and to create a strengthened and more appropriate capital structure as a platform upon which to build a sustainable, strong and resilient long term business that is better positioned to compete more effectively.

The Board believes that the Proposals, including the Restructuring, are in the best interests of Shareholders and that it is very important that Shareholders vote in favour of the Restructuring Resolutions at the EGM, to be held on 6 January 2010, so that the Restructuring can proceed. It is likely that failure to pass the Restructuring Resolutions would lead to the Company entering into administration or some other form of insolvency procedure. Your attention is drawn to the importance of the vote section in paragraph 27 below. A summary of the action you need to take is set out in paragraph 23 of this letter and on the Form of Proxy that accompanies this Document.

The principal terms of the Proposals, including the Restructuring, are as follows:

- The conversion of approximately £22.9 million of debt held by the Lenders in exchange for 29,993,441 Post-Consolidation New Ordinary Shares;
- The conversion of £30.0 million of additional debt held by the Lenders in return for 27.6 million "A" Preference Shares with a nominal value of £27.6 million and 2.4 million "B" Preference Shares with a nominal value of £2.4 million;
- The adoption of two new share incentive schemes by the Company, being the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009. The Lenders have required, as a condition to the Restructuring proceeding, that arrangements are put in place to appropriately incentivise certain employees, and the Company has determined that the New Share Incentive Plans will best achieve that end;
- As a condition of the Restructuring, the Lenders have directed that the 2.4 million "B" Preference Shares and 8,631,111 Post-Consolidation New Ordinary Shares that would otherwise be issued directly to the Lenders on the conversion of the debt, be instead issued directly to the New Employee Benefit Trust, with the intention that:
    - such "B" Preference Shares will be used to incentivise the Related Party Managers and Related Party Directors (excluding Mike McTighe) by way of satisfying awards over

"B" Preference Shares proposed to be made to such individuals under the White Young Green Performance Share Plan 2009;

  - 705,797 Post-Consolidation New Ordinary Shares, representing 2 per cent. of the Enlarged Issued Share Capital of the Company (or, if less, such number of Post-Consolidation New Ordinary Shares as have a market value of £250,000 at the time that the One-Off Award is offered to Mike McTighe), will be used for the purpose of the One-Off Award proposed to be granted to incentivise Mike McTighe (who will be an Investor Director nominated by the Lenders with effect from Completion); and
  - the remainder of such Post-Consolidation New Ordinary Shares will be used in part for the purpose of making proposed awards over Ordinary Shares to the Related Party Managers and Related Party Directors (excluding Mike McTighe) and awards to other Employees, determined at the discretion of the Remuneration Committee under the White Young Green Joint Share Ownership Plan 2009, and in part for the purpose of making awards over Ordinary Shares pursuant to the White Young Green Performance Share Plan 2009 to certain Employees, to be determined at the discretion of the Remuneration Committee.

- Refinanced Lending Facilities totalling £58.25 million, comprising £50.0 million of term debt and £8.25 million of working capital facilities will be provided by the Lenders. In addition, €38.0 million (approximately £34.3 million) of committed bonding facilities are to be provided by the Lenders; and
- Cancellation of admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities and admission of the Enlarged Issued Share Capital to trading on AIM, as the Company will no longer have sufficient shares in public hands to be able to maintain its listing on the Official List. Cancellation of the listing on the Official List requires Shareholder approval.

Immediately following Completion (and before any awards over Ordinary Shares have been made by the New Employee Benefit Trust):

- The Lenders will own 60.5 per cent.;
- The New Employee Benefit Trust will own 24.5 per cent.; and
- Existing Shareholders (including the existing stakes of Related Party Managers and Related Party Directors and certain Employees) will own 15.0 per cent.

of the Enlarged Issued Share Capital.

The proposed new capital structure immediately following the Restructuring represents the final outcome of the Board's negotiations with the Lenders. The Group's liabilities will be reduced and net assets increased as a consequence of the conversion of approximately £52.9 million of indebtedness into equity. The Restructuring seeks to address the adverse impact of White Young Green's existing unsustainable indebtedness and associated interest cost on its business, whilst retaining the opportunity to deliver value to Shareholders in the future. As a result of the Restructuring, the credit profile of the Group is expected to be substantially enhanced with regard to suppliers and customers. This solution has been negotiated with a view to providing the Group with a strengthened and sustainable long-term capital structure. This proposed structure is considered by the Board to be crucial in ensuring that the Group can address its financial obligations in the future, which the Board believes is critical to the Company's ability to create value for Shareholders.

As a result of the Restructuring, the Group's earnings will be affected by:

- the increased margin payable under the terms of the Restructured Facilities Agreement (further details of which are set out in paragraph 3 of Part III of this Document) compared to the terms of the Existing Facilities Agreement;
- the reduction in the total amount of the Group's debt;
- any changes in LIBOR (to the extent not hedged), which will affect the interest payable by the Company on the Refinanced Lending Facilities under the terms of the Restructured Facilities Agreement, further details of which are set out in paragraph 3 of Part III of this Document;

- the fees and commissions payable under the terms of the Restructured Facilities Agreement (further details of which are set out in paragraph 3 of Part III of this Document) compared to the terms of the Existing Facilities Agreement;
- any Preference Dividend paid, further details of which are set out in paragraph 6 of Part III of this Document; and
- the Redemption Premium payable, dependent on when the redemption of the Preference Shares occurs, further details of which are set out in paragraph 6 of Part III of this Document.

As a result of the Restructuring and the conversion of approximately £52.9 million of the Group's indebtedness into New Ordinary Shares and Preference Shares, the Group's assets and liabilities will be affected as follows:

- financial liabilities will be reduced by approximately £52.9 million; and
- total net assets will be increased by approximately £52.9 million as a result of the Placing to the Lenders of New Ordinary Shares and the issue of the Preference Shares.

The Proposals, including the Restructuring, are conditional upon, *inter alia*, Shareholders' approval being obtained at the EGM. The arrangements in connection with the Issue to the New Employee Benefit Trust, the implementation of the Investment Agreement and the Framework Agreement, the proposed grant of awards under the White Young Green Performance Share Plan 2009 to the Related Party Directors (other than Mike McTighe) and the Related Party Managers, the proposed grant of the One-Off Award to Mike McTighe and the proposed grant of awards under the White Young Green Joint Share Ownership Plan 2009 to the Related Party Directors (other than Mike McTighe) and the Related Party Managers will be classified as related party transactions under the Listing Rules and require approval by the Independent Shareholders at the EGM. Further details of the Related Party Transactions are set out in paragraph 20 below.

The Proposals set out in this Document are very important and require your close attention. Your Board is of the view that the Restructuring represents the best prospect for securing a significantly strengthened capital structure for the Group and the continuing support of its Lenders, upon which the Group is dependent for its ability to trade. Your attention is drawn to the recommendation of the Board set out in paragraph 28 below.

Shareholders should note that the Directors will not be able to proceed with the Restructuring unless and until all the proposed Restructuring Resolutions are approved at the EGM, since the Restructuring Resolutions are inter-conditional.

Furthermore, Shareholders should note that the Board believes that, without the Restructuring proceeding, the Group would be unable to continue to operate within the Existing Lending Facilities and would be in default under the Existing Facilities Agreement. There already exist certain defaults under the Existing Facilities Agreement, in relation to which the Lenders have agreed to suspend any enforcement action (but not to waive the relevant breaches) until the earlier of (i) 5.00 p.m. on 8 January 2010; and (ii) the date (if any) on which the Lenders terminate their obligations to enter into the Restructuring, which they are entitled to do, *inter alia*, if Shareholders fail to pass all of the Restructuring Resolutions at the EGM. In addition, the Lenders have agreed to defer testing of the financial covenants until the same time. If, however, the Restructuring Resolutions are all passed and Completion takes place, then the Existing Facilities Agreement (and any breaches under it) will fall away and be replaced by the Restructured Facilities Agreement. The Board is of the view that alternative funding sources are very unlikely to be available and, in this event, the Group would be unable to sustain its position as a going concern. Therefore, it is likely that failure to pass the Restructuring Resolutions would lead to the Group entering into administration or some other form of insolvency procedure, which would, in the Board's opinion, result in Shareholders receiving no value for their current shareholdings.

You are therefore strongly recommended to vote in favour of all of the Resolutions to be proposed at the EGM by completing the enclosed Form of Proxy and returning it to the address marked on it as soon as possible and, in any event, so as to be received by no later than 2.00 p.m. on 4 January 2010.

Accordingly, the purpose of this Document is to provide Shareholders with the background to and reasons for the Restructuring, to explain why your Board considers the Restructuring to be in the best interests of the Company and its Shareholders as a whole and to seek the requisite approval from Shareholders for the Resolutions.

At the end of this Document you will find notice of an EGM which has been convened for 2.00 p.m. on 6 January 2010 for the purpose of considering and, if thought fit, approving the Resolutions.

2. Background to and reasons for the Restructuring

White Young Green underwent a sustained period of continuous revenue and earnings growth until 2008. Revenue and profit before tax grew by 195 per cent. and 207 per cent. to £232.1 million and £21.0 million respectively over the four years ended 30 June 2008. During this time the Company acquired a total of 15 businesses for a total consideration (including potential deferred consideration) of approximately £103.4 million, funded through a mixture of debt and equity. Approximately £66 million of the total consideration paid has been funded using debt which resulted in the Company's ratio of net debt to EBITDA increasing from 1.3 times to 2.1 times over the same period.

As at 30 June 2008, the Group had net debt of £68.2 million (including accrued interest and fees) and contingent exposures to certain of the Lenders of approximately £26.7 million under bonding arrangements. Audited EBITDA for the year then ended was £32.1 million, which resulted in the Company's ratio of net debt to EBITDA of 2.1 times (or 3.0 times including contingent bonding exposures). (These figures have been calculated without material adjustment from the annual report and accounts of White Young Green as at and for the year ended 30 June 2008.)

As set out in the unaudited interim results for the six months ended 31 December 2008 and further described in the audited results for the year ended 30 June 2009, trading conditions in White Young Green's key markets have been extremely challenging, and are expected by the Directors to continue to be so for some time due to the prolonged recession, the expectation of a slow recovery, particularly in the UK and the Republic of Ireland, and the predicted cuts in public sector spending. The impact of the global economic downturn in mid to late 2008 and early 2009 has had a materially detrimental impact on the Company's performance. For the year ended 30 June 2009 gross revenue fell by 7.3 per cent. to £261.6 million and profit before tax (before exceptional items) fell by 42.4 per cent. to £12.1 million. The Company reported a loss before tax (after exceptional items) of £128.9 million for the year ended 30 June 2009 (2008: profit before tax (after exceptional items) of £16.8 million). (These figures have been extracted without material adjustment from the annual report and accounts of White Young Green for the year ended 30 June 2009.)

The Board, recognising the likelihood of a prolonged period of uncertain and challenging market conditions, acknowledged that the combination of the Company's capital structure and weakening financial performance created material risks for its ability to continue to operate within the terms of the Existing Facilities Agreement. The Company considered raising finance through an equity issue in order to ensure that, despite any further downturn in trading performance, the Group would continue to be able to satisfy its existing banking covenants. For a variety of reasons, the Company was unable to complete any such fundraising. On 25 February 2009, the Board announced that it believed that the Company was at risk of breaching the covenants under the Existing Facilities Agreement and entered into negotiations with the Lenders.

Since that time, the Company has been in intensive discussions with its Lenders and has undertaken extensive work to agree a solution to rebalance its capital structure on a strengthened basis, to reduce the Company's level of borrowings and to refinance the Group's existing indebtedness. It has also considered other alternatives, such as obtaining funding from other sources and a possible sale of parts or all of the business.

Following the appointment of David Wilton as Group Finance Director on 10 February 2009, the Group undertook an extensive review of its forecasts and systems and has also carried out a detailed exercise to re-examine the carrying value of goodwill, properties, debtors, work-in-progress and other assets on its balance sheet, the results of which were disclosed in the audited results for the year ended 30 June 2009. As described in these results, the Company incurred an exceptional charge of £138.8 million for the year ended 30 June 2009, mainly arising from the write down in the carrying value of these assets.

In addition, adverse working capital flows arising from deterioration in debtor days and work-in-progress days, as well as resulting indirectly from the write-downs in debtor and work-in-progress balances that were previously believed to be realisable, and adverse exchange rate movements which were not adequately protected through the Group's foreign currency hedging strategies, caused net debt to increase above previous expectations during the year ended 30 June 2009. As at 30 June 2009, the Group had gross borrowings of approximately £96.2 million (including accrued interest and fees). The Group also had a contingent exposure to certain of the Lenders of approximately £31.0 million under bonding

arrangements. At 30 June 2009, the Group had net debt of £88.7 million (including accrued interest and fees but excluding restricted cash balances). EBITDA for the year then ended was £22.6 million, which resulted in the ratio of net debt to EBITDA increasing from 2.1 times to 3.9 times over the same period (or from 3.0 times to 5.3 times including contingent bonding exposures).

The Board has also concluded that the level of debt within the Group is materially in excess of that supportable by the current and expected level of trading performance due to the prolonged recession which continues to result in significant reductions in activity, particularly in the UK and the Republic of Ireland. The Board also believes, based on the trading value of its quoted peers and its own forecasts of trading performance, that the enterprise value of the business is materially lower than its borrowings and that the Group cannot continue to compete effectively in its markets unless there is a substantial reduction in the level of debt carried by the Group. As announced on 25 August 2009, the discussions with the Lenders developed to the stage where the only available options being considered by the Company and its Lenders would involve a material dilution to Existing Shareholders' holdings in the Company and could lead to the Company not meeting the requirements, in respect of the percentage of the issued share capital in public hands, to remain on the Official List.

The Restructuring represents the conclusion of these negotiations. The Board believes that the Restructuring will provide the Group with a strengthened and sustainable long term capital structure enabling the Company to compete more effectively in the current challenging environment. The Restructuring will reduce the indebtedness of the Company by approximately £52.9 million through the conversion of borrowings into New Ordinary Shares and Preference Shares.

During the past 18 months, the Board has been strengthened with new appointments. Mike McTighe joined as Non-Executive Chairman and will be an Investor Director nominated by the Lenders with effect from Completion, Paul Hamer was appointed as Chief Executive Officer, Graham Olver joined as Group Services Director and Company Secretary and, as mentioned above, David Wilton joined as Group Finance Director. The Directors now believe that they have a strong and focused board.

3. Cost saving initiatives

In response to the downturn in activity in mid to late 2008 and early 2009, the Board took swift and decisive action to restructure the Group's operations. At the same time as the interim results to 31 December 2008 were published, the Board announced cost saving measures to reduce the headcount by 235, resulting in annualised cost savings of approximately £5.7 million, after restructuring costs of £1.6 million, with additional non-payroll savings of £2.4 million also being made. This was augmented by a further headcount reduction of 324 and the closure of seven regional offices announced on 18 May 2009.

Since then, the Board has continued to focus on cost control and making the business more efficient. As a result the Group has now closed a total of 17 offices and has reduced headcount by 800 full-time equivalent employees.

The decisive actions taken by the Board to introduce swift cost saving initiatives and restructure the Group's operations has created a more focused and efficient business.

4. Key points of the Proposals

The key points of the Proposals, including the Restructuring, which are subject to, *inter alia*, approval by Shareholders, are:

- A placing of 29,993,441 Post-Consolidation New Ordinary Shares to the Lenders, in exchange for the conversion of approximately £22.9 million of debt currently owed to the Lenders, at an issue price of approximately 7.6 pence per New Ordinary Share. Of the 29,993,441 Post-Consolidation New Ordinary Shares subject to the Placing to the Lenders, 21,362,330 Post-Consolidation New Ordinary Shares, representing 60.5 per cent. of the Enlarged Issued Share Capital, will be issued directly to the Lenders, with 8,631,111 Post-Consolidation New Ordinary Shares, representing 24.5 per cent. of the Enlarged Issued Share Capital, to be issued to the New Employee Benefit Trust, at the direction of the Lenders;
- The issue of £30.0 million of unlisted Preference Shares in exchange for the conversion of £30.0 million of debt. The Lenders will be issued ''A'' Preference Shares, with an aggregate nominal value of £27.6 million, and will also be entitled to be issued with new ''B'' Preference Shares, with an aggregate nominal value of £2.4 million. However, the Lenders have directed the Company to issue the ''B'' Preference Shares, with an aggregate nominal value of £2.4 million, to which the Lenders are entitled on conversion of the debt, to the New Employee Benefit Trust;

- The adoption of two new share incentive schemes by the Company, being the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009. The Lenders have required, as a condition to the Restructuring proceeding, that arrangements are put in place to appropriately incentivise certain Employees, and the Company has determined that the New Share Incentive Plans will best achieve that end. It is the intention that there will be widespread Employee share ownership going forward, subject to eligibility criteria to be established and approved by the Remuneration Committee;
- The Lenders have directed that the 2.4 million ''B'' Preference Shares and 8,631,111 Post-Consolidation New Ordinary Shares that would otherwise be issued directly to the Lenders on the conversion of the debt for which such 2.4 million ''B'' Preference Shares and 8,631,111 Post-Consolidation New Ordinary Shares are to be exchanged, be instead issued directly to the New Employee Benefit Trust, with the intention that:
  - such ''B'' Preference Shares will be used to incentivise the Related Party Managers and Related Party Directors (excluding Mike McTighe) by way of satisfying awards over ''B'' Preference Shares proposed to be made to such individuals under the White Young Green Performance Share Plan 2009;
  - 705,797 Post-Consolidation New Ordinary Shares, representing 2 per cent. of the Enlarged Issued Share Capital of the Company (or, if less, such number of Post-Consolidation New Ordinary Shares as have a market value of £250,000 at the time that the One-Off Award is offered to Mike McTighe) will be used for the purpose of the One-Off Award proposed to be granted to incentivise Mike McTighe; and
  - the remainder of such Post-Consolidation New Ordinary Shares will be used in part for the purpose of making proposed awards over Ordinary Shares to the Related Party Managers and Related Party Directors (excluding Mike McTighe) and awards to certain Employees, determined at the discretion of the Remuneration Committee under the White Young Green Joint Share Ownership Plan 2009, and in part for the purpose of making awards over Ordinary Shares pursuant to the White Young Green Performance Share Plan 2009 to certain Employees, to be determined at the discretion of the Remuneration Committee.
- The sub-division of each Existing Ordinary Share into one New Ordinary Share of one penny nominal value and one Deferred Ordinary Share of four pence nominal value, in order to reduce the nominal value of the shares to be issued in conjunction with the Restructuring as a precautionary measure as companies are prohibited from issuing shares for a consideration less than the nominal value of such shares. The Placing Price will be calculated on the day following the EGM and is subject to fluctuation due to the Currency Fluctuation and the Share Capital Fluctuation. The Deferred Ordinary Shares are being issued, as a precautionary measure, for technical reasons and they will hold little or no economic value. The Deferred Shares will have no voting or dividend rights and, on a return of capital, will have the right to receive the amount paid up thereon only in very limited circumstances;
- Following the Restructuring, Existing Shareholders will, in aggregate, own 15 per cent. of the Enlarged Issued Share Capital;
- Refinanced Lending Facilities totalling £58.25 million, comprising £50.0 million of term debt and £8.25 million of working capital facilities. In addition, the Refinanced Lending Facilities will include €38.0 million of committed bonding facilities, provided by the Lenders; and
- The cancellation of admission of the Existing Issued Ordinary Shares to the Official List and admission to trading on the London Stock Exchange's main market for listed securities, and for the subsequent admission to trading on AIM of the Ordinary Shares.

The key terms of the Restructuring outlined above are based on the Restructuring Agreements, which have been entered into by (amongst others) all or some of (depending on the particular agreement) the Company, the Lenders, the Related Party Directors, the Related Party Managers and the New Employee Benefit Trust, but are conditional upon, *inter alia*, the passing of the Restructuring Resolutions at the Extraordinary General Meeting, scheduled for 2.00 p.m. on 6 January 2010. Further details of the terms of the Restructuring Agreements are set out in Part III (''Summary of the Restructuring Agreements'') of this Document.

The proposed new capital structure immediately following the Restructuring represents the final outcome of the Board's negotiations with the Lenders. The Restructuring seeks to address the adverse impact of

White Young Green's indebtedness and associated interest cost on its business, whilst retaining the possibility of delivering value to Shareholders in the future. As a result of the Restructuring, the credit profile of the Group is expected to be enhanced with regard to suppliers and customers. This solution has been negotiated with a view to providing the Group with a strengthened and sustainable long term capital structure. The Board considers the proposed structure to be crucial in ensuring that the Group can address its financial obligations in future.

It is important to note that, as explained below in paragraph 27 of this letter, your Board believes that failure to approve the Restructuring Resolutions at the Extraordinary General Meeting would have material and very detrimental consequences for the Group. The Group would be unable to continue to operate within the Existing Lending Facilities and would be in default under the Existing Facilities Agreement. There already exist certain defaults under the Existing Facilities Agreement, in relation to which the Lenders have agreed to suspend any enforcement action (but not to waive the relevant breaches) until the earlier of (i) 5.00 p.m. on 8 January 2010; and (ii) the date (if any) on which the Lenders terminate their obligations to enter into the Restructuring, which they are entitled to do, *inter alia*, if Shareholders fail to pass all of the Restructuring Resolutions at the EGM. In addition, the Lenders have agreed to defer testing of the financial covenants until the same time. If, however, the Restructuring Resolutions are all passed and Completion takes place, then the Existing Facilities Agreement (and any breaches under it) will fall away and be replaced by the Restructured Facilities Agreement. The Board is of the view that alternative funding sources are very unlikely to be available and, in this event, the Group would be unable to sustain its position as a going concern. Therefore, the Directors believe that failure to pass the Restructuring Resolutions would lead to the Group entering into administration or some other form of insolvency procedure which would, in the Board's opinion, result in Shareholders receiving no value for their current shareholdings.

5. Placing to the Lenders

In exchange for the conversion of approximately £22.9 million of debt, 29,993,441 Post-Consolidation New Ordinary Shares have been conditionally placed to the Lenders.

Of the 29,993,441 Post-Consolidation New Ordinary Shares conditionally placed to the Lenders, 21,362,330 Post-Consolidation New Ordinary Shares shall be issued to the Lenders representing, in aggregate, 60.5 per cent. of the Enlarged Issued Share Capital of the Company, and in relation to the remaining Post-Consolidation New Ordinary Shares, representing in aggregate 24.5 per cent. of the Enlarged Issued Share Capital of the Company, to which the Lenders would otherwise be entitled on conversion of such debt, the Lenders have directed that the same be issued to the New Employee Benefit Trust.

In order to convert approximately £22.9 million of outstanding borrowings under the Existing Lending Facilities into Post-Consolidation New Ordinary Shares under the Placing to the Lenders (excluding the £30.0 million of outstanding borrowings to be converted to equity via the issue of the Preference Shares), and to thereby grant the Lenders an interest in 60.5 per cent. of the Enlarged Issued Share Capital of the Company (with 24.5 per cent of the Enlarged Issued Share Capital to be issued to the New Employee Benefit Trust at the direction of the Lenders), the Placing Price will be approximately 7.6 pence, which represents an approximate 35.0 per cent. discount to the Closing Price of 11.75 pence per Ordinary Share on 29 October 2009 (being the last Business Day before the Announcement).

The Directors believe that the level of the discount is in the best interests of the Company, in view of the agreement reached with the Lenders concerning the Restructuring. The Board therefore proposes to seek specific approval of the Placing Price and the discount from Shareholders at the Extraordinary General Meeting, in accordance with the Listing Rules.

The Restructuring is subject to Shareholder approval. The Placing to the Lenders is conditional upon, *inter alia*, the fulfilment of the following conditions:

- the passing, without amendment, of the Restructuring Resolutions at the Extraordinary General Meeting; and
- the Restructuring Agreements not having been terminated prior to Completion and the conditions precedent to the Restructuring Agreements having been satisfied. Further details of the principal terms of the Restructuring Agreements, including the conditions precedent, are set out in Part III ("Summary of the Restructuring Agreements") of this Document.

Application will be made to the London Stock Exchange for admission of the Post-Consolidation Ordinary Shares to trading on AIM. It is expected that Admission will become effective and that dealings in the Post-Consolidation Ordinary Shares will commence at 8.00 a.m. on 4 February 2010.

6. Issue of Post-Consolidation New Ordinary Shares to the New Employee Benefit Trust

Both the Board and the Lenders acknowledge that White Young Green is very much a ''people business'' and that the Group has a large number of important employees who are critical to its future success and future value creation. The Lenders have required, as a condition to the Restructuring proceeding, that arrangements are put in place to appropriately incentivise certain Directors and Employees, and the Company has determined that the New Share Incentive Plans will best achieve that end. It is the intention that there will be widespread Employee share ownership going forward, subject to eligibility criteria to be established and approved by the Remuneration Committee.

The Lenders have directed the Company to issue 8,631,111 Post-Consolidation New Ordinary Shares of the 29,993,441 Post-Consolidation New Ordinary Shares to which they are entitled on the conversion of the debt, directly to the New Employee Benefit Trust, rather than receiving such Post-Consolidation New Ordinary Shares themselves.

The 8,631,111 Post-Consolidation New Ordinary Shares to be issued to the New Employee Benefit Trust at the direction of the Lenders will represent, in aggregate, 24.5 per cent. of the Enlarged Issued Share Capital of the Company, assuming the Restructuring takes effect.

It is proposed that as soon as reasonably practicable after the Post-Consolidation New Ordinary Shares have been issued to the New Employee Benefit Trust and have been admitted to trading on AIM, the New Employee Benefit Trust will grant awards under the proposed White Young Green Joint Share Ownership Plan 2009 to Related Party Directors (other than Mike McTighe) and Related Party Managers as follows:

Name of Related Party Director / Related Party Manager	Number of Post-Consolidation New Ordinary Shares
Paul Hamer	1,058,696
David Wilton	264,674
Graham Olver	264,674
Ray Moore	264,674
David Crichton-Miller	264,674

provided always that in the case of each of the individuals mentioned above the number of Post-Consolidation New Ordinary Shares made subject to an award to that individual shall be capped so that the market value of the Post-Consolidation New Ordinary Shares so awarded shall not exceed the individual's base salary.

For these purposes, the market value of the Post-Consolidation New Ordinary Shares under award and an individual's base salary will be measured at the time the invitations are issued to the above named individuals under the White Young Green Joint Share Ownership Plan 2009.

It is further proposed that shortly after the Post-Consolidation New Ordinary Shares have been issued to the New Employee Benefit Trust and have been admitted to AIM, the New Employee Benefit Trust will grant the One-Off Award to Mike McTighe over 705,797 Post-Consolidation New Ordinary Shares held by the New Employee Benefit Trust, which represents 2 per cent. of the Enlarged Issued Share Capital of the Company (or, if less, such number of Post-Consolidation New Ordinary Shares as have a market value of £250,000 at the time that the One-Off Award is offered to Mike McTighe).

In relation to the remainder of the Post-Consolidation New Ordinary Shares held by the New Employee Benefit Trust, it is intended that these are either used to grant awards under the White Young Green Joint Share Ownership Plan 2009 or the White Young Green Performance Share Plan 2009 to Employees, determined at the discretion of the Remuneration Committee.

No specific proposals in relation to further awards over the Post-Consolidation New Ordinary Shares have been made save in respect of the Related Party Directors and the Related Party Managers.

The issue of the 8,631,111 Post-Consolidation New Ordinary Shares to the New Employee Benefit Trust, in accordance with the direction of the Lenders, pursuant to which the Related Party Directors and the

Related Party Managers may ultimately benefit by virtue of the proposed awards to be made to them, as described in this paragraph, and the grant of the awards to the Related Party Managers and Related Party Directors (including the One-Off Award to Mike McTighe), as described in this paragraph, are each deemed to be a related party transaction under the Listing Rules. Consequently each of these transactions will require Independent Shareholder approval at the Extraordinary General Meeting, where the Related Party Directors and Related Party Managers will be prohibited from voting in relation to the relevant resolutions. Further details of the Related Party Transactions are set out in paragraph 20 of this letter.

Further details of the principal terms of the White Young Green Joint Share Ownership Plan 2009, the White Young Green Performance Share Plan 2009 and the principal terms of the One-Off Award proposed to be granted to Mike McTighe are set out in Part IV of this Document. The rights of the New Ordinary Shares are set out in Part III of this Document.

7. Preference Shares

The Company has agreed with the Lenders to issue £30.0 million of Preference Shares in White Young Green, subject to, *inter alia*, Shareholder approval of the Restructuring Resolutions, in exchange for the conversion of £30.0 million of outstanding borrowings.

The Company proposes to issue the Preference Shares as follows:

- 27.6 million ''A'' Preference Shares with a total nominal value of £27.6 million; and
- 2.4 million ''B'' Preference Shares with a total nominal value of £2.4 million.

The ''A'' Preference Shares, with a nominal value of £27.6 million, will be issued to the Lenders.

The Lenders have agreed to direct the Company to issue the £2.4 million nominal value of ''B'' Preference Shares to which they are entitled on the conversion of the debt, directly to the New Employee Benefit Trust, rather than receiving such ''B'' Preference Shares themselves.

It is proposed that as soon as reasonably practicable after the ''B'' Preference Shares have been issued to the New Employee Benefit Trust, the New Employee Benefit Trust will grant awards structured as nil cost options over such ''B'' Preference Shares (or the proceeds of the same on redemption) under the proposed White Young Green Performance Share Plan 2009 to Related Party Directors (other than Mike McTighe) and Related Party Managers as follows:

Name of Related Party Director / Related Party Manager	Number of "B" Preference Shares
Paul Hamer	780,000
David Wilton	480,000
Graham Olver	480,000
Ray Moore	330,000
David Crichton-Miller	330,000

The issue of the £2.4 million nominal value of ''B'' Preference Shares to the New Employee Benefit Trust, in accordance with the direction of the Lenders, pursuant to which the Related Party Directors (excluding Mike McTighe) and the Related Party Managers are intended ultimately to benefit by virtue of the proposed awards to be made to them over such ''B'' Preference Shares, as described in this paragraph, and the grant of the awards to the Related Party Managers and Related Party Directors (excluding Mike McTighe), as described in this paragraph, are each deemed to be a related party transaction under the Listing Rules. Consequently each of these transactions will require Independent Shareholder approval at the Extraordinary General Meeting, where Related Party Directors and Related Party Managers will be prohibited from voting in relation to the relevant resolutions. Further details of the Related Party Transactions are set out in paragraph 20 of this letter.

The Preference Shares will be unlisted and issued at par value.

In normal circumstances, the Preference Shares have no running yield, but, in the case of the ''A'' Preference Shares only, are subject to a Redemption Premium. The principal rights of the ''A'' Preference Shares and the ''B'' Preference Shares are set out in paragraph 6 of Part III of this Document.

8. The New Ordinary Shares

The New Ordinary Shares issued in connection with the Restructuring will be created under the 2006 Act and the legislation made thereunder and are expected to be issued in registered form on or about 8 January 2010 and will be capable of being held in both certificated and uncertificated form.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Issued Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid by White Young Green after the date of issue of the New Ordinary Shares.

The other rights attached to the New Ordinary Shares are set out in paragraph 6 of Part III of this Document. Approval of the creation and issue of the New Ordinary Shares will be sought at the EGM. A summary of the Resolutions to be proposed at the EGM in connection with the creation and issue of the New Ordinary Shares is set out below in paragraph 21 of this letter.

Should the Resolutions be approved by Shareholders at the EGM, the Directors will have authority to allot a maximum of 299,934,417 New Ordinary Shares, which represents 566 per cent. of the Existing Issued Share Capital as at 8 December 2009 (being the latest practicable date before the publication of this Document). These figures exclude treasury shares, none of which are held by the Company as at 8 December 2009, being the latest practicable date before publication of this Document. Such authority to allot New Ordinary Shares will expire six months following the passing of the Resolutions.

9. The Refinanced Lending Facilities

The Company has agreed with the Lenders to enter into the Refinanced Lending Facilities, which will become effective subject to, amongst other things, Shareholder approval of the Restructuring Resolutions. Once the Refinanced Lending Facilities become effective, they will replace the Existing Lending Facilities.

The Refinanced Lending Facilities comprise:

- a term loan of £50.0 million split into tranche A of £35.0 million and tranche B of £15.0 million; and
- working capital facilities of £8.25 million in total. In addition, the Lenders are to provide bonding facilities of €38.0 million (approximately £34.3 million).

The purpose of the Refinanced Lending Facilities is to repay and refinance the Existing Lending Facilities, to pay fees and transaction costs relating to the Restructuring and for the general corporate and working capital purposes of the Group.

The Refinanced Lending Facilities will be secured by cross-guarantees and fixed and floating security (or, in the case of the Company's Polish subsidiaries, pledges and security assignments) granted by the Company and certain of its trading subsidiaries in the United Kingdom, the Republic of Ireland and Poland and, following satisfaction of the relevant condition subsequent referred to in more detail in Part III of this Document, by a pledge in relation to the shares in its trading subsidiary in Turkey and a guarantee and subordination agreement from that subsidiary.

Further details of the principal terms of the Refinanced Lending Facilities are set out in Part III ("Summary of the Restructuring Agreements") of this Document.

10. Share Reorganisation

The Resolutions include a Share Reorganisation such that each Existing Ordinary Share of five pence each in the capital of the Company, whether issued or unissued, will be sub-divided into one ordinary share of one penny in the capital of the Company and one deferred ordinary share of four pence in the capital of the Company. The purpose of the Share Reorganisation is to reduce the nominal value of the Existing Ordinary Shares as a precautionary measure as the New Ordinary Shares cannot be issued at a price less than their nominal value. The Placing Price will be calculated on the day following the EGM and is subject to fluctuation due to the Currency Fluctuation and the Share Capital Fluctuation. The Share Reorganisation is subject to, *inter alia*, Shareholder approval of the Restructuring Resolutions.

The Deferred Shares, to be created upon the Restructuring becoming effective, will have no voting or dividend rights and, on a return of capital, will have the right to receive the amount paid up thereon only after the holders of the "A" Preference Shares and the "B" Preference Shares have received an amount equal to the amount paid up thereon together with any Preference Dividends that have become due and payable and, in the case of the "A" Preference Shares only, the Redemption Premium, and after the holders of the Post-Consolidation Ordinary Shares have received, in aggregate, the amount paid up

thereon. No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares, nor will they be listed on the Official List or admitted to trading on the London Stock Exchange, AIM or any other investment exchange.

11. Share Consolidation

The Resolutions include a share consolidation such that the New Ordinary Shares in the capital of the Company and the Existing Ordinary Shares, whether issued or unissued, are consolidated into ordinary shares of ten pence each in the capital of the Company on the basis of one Post-Consolidation Ordinary Share for every ten Ordinary Shares. Following the Share Consolidation, the Company's issued ordinary share capital will comprise 35,289,886 ordinary shares of ten pence each in the capital of Company.

The purpose of the share consolidation is to reduce the total number of shares in issue following the Restructuring (including the Placing). The Directors believe that this may reduce the volatility in the price of the Company's Ordinary Shares, lead to more meaningful earnings per share figures, may avoid large dealing spreads in the Ordinary Shares and may ensure that the price of the Ordinary Shares is more appropriate for a company of White Young Green's size than would otherwise have been the case following the Restructuring becoming effective and Admission.

Fractional entitlements to Ordinary Shares will be rounded down to the nearest whole number. All such fractional entitlements to issued Ordinary Shares will be aggregated and, in accordance with the Articles, all Ordinary Shares arising from such aggregation will be sold. It is expected that the net proceeds of such sale will be retained for the benefit of the Company. In accordance with the Articles, whenever as the result of any consolidation of shares fractions arise, the Directors may deal with such fractions as they see fit and, in particular, may sell the shares to any person and distribute to and amongst the Shareholders in due proportions the net proceeds of such sale.

The Share Consolidation is conditional upon the approval of the Shareholders at the EGM as required by the 2006 Act and the Articles.

12. Results and current trading and future prospects of White Young Green

On 30 October 2009, the Company issued the following current trading update and outlook within the Company's audited results announcement for the year ended 30 June 2009, released via a Regulatory Information Service and re-produced in its entirety in Section B of Part V of this Document, and also contained in the Company's annual report and accounts for the same period, published on 30 October 2009:

> ***"Outlook***
>
> Trading conditions remain unpredictable and challenging, although there are variations across the differing markets served by the Group. There remains a lack of confidence and liquidity in many areas in which we trade, but there are also some early encouraging signs in respect of opportunities and new contract wins.
>
> Trading for the financial year to date is in line with the Board's expectations.
>
> We have restructured to focus on areas of strength and opportunity to be well positioned to benefit when overall economic conditions improve. We are investing and will continue to invest to provide a strong platform for the future."

As disclosed in the notes to the audited results announcement for the year ended 30 June 2009, the auditors made an unqualified report, but with an emphasis of matter relating to going concern. This is because, at the time, the status of the heads of terms and the conditions relating to the Restructuring, including the need for Shareholder approval, represented material uncertainties casting significant doubt on the Group's ability to continue as a going concern. Full disclosure of the emphasis of matter and material uncertainties can be found in the Independent Auditors' Report and note 1 to the accounts on pages 64 and 69 of the Company's 2009 annual report and accounts, respectively.

13. Dividends and dividend policy

As announced on 30 October 2009 in the Company's audited results for the year ended 30 June 2009 and as described in the Company's annual report and accounts for the same period published on 30 October 2009, the Directors have decided that it is in the best interests of the Company not to propose a final dividend for the year ended 30 June 2009.

In addition, the Restructured Facilities Agreement contains a restriction prohibiting the payment of a dividend on the Ordinary Shares until repayment in full of the Refinanced Lending Facilities, which is scheduled for January 2013 and, further, under the terms of the Investment Agreement, no dividends can be declared on any class of shares in the Company without the consent of the holders of at least 60 per cent. of the ''A'' Preference Shares. The New Articles also require that if a dividend is declared on the Ordinary Shares, a preferred dividend equal to one per cent. of any dividend declared on the Ordinary Shares will first be paid to holders of the ''A'' Preference Shares and ''B'' Preference Shares.

If the Refinanced Lending Facilities are amended or refinanced and either the Preference Shares are redeemed in full or the consent of the holders of at least 60 per cent. of the ''A'' Preference Shares is obtained, there is a possibility that the Company may be able to commence payment of dividends on Ordinary Shares, but there can be no certainty that holders of Ordinary Shares will be entitled to receive a dividend on Ordinary Shares for at least the duration of the Refinanced Lending Facilities and the period prior to redemption in full of the Preference Shares. Therefore, there can be no assurance whether or when dividends on Ordinary Shares will be paid in the future.

14. Risk factors

The section of this Document entitled Risk Factors, on pages 29 to 39, sets out a number of risks and uncertainties which Shareholders should carefully consider. Additional risks and uncertainties not currently known to White Young Green or the Directors, or that White Young Green or the Directors currently consider to be immaterial, may also have a material adverse effect on White Young Green's business, financial condition or operating results. If any or a combination of these risks occurs, the price of Ordinary Shares could decline and investors may lose all or part of their investment.

15. Proposed cancellation of listing on the Official List and admission to trading on AIM

One of the conditions of maintaining a listing on the Official List is that a minimum of 25 per cent. of a company's issued ordinary share capital has to be held in public hands at all times, as defined by the Listing Rules. Subject to Shareholder approval of the Restructuring, the Lenders will, in aggregate, hold 60.5 per cent. of the Enlarged Issued Share Capital and the New Employee Benefit Trust, and subsequently the Related Party Directors and the Related Party Managers and certain Employees, will hold, in aggregate, 24.5 per cent. of the Enlarged Issued Share Capital. The Company would consequently no longer meet this condition of listing and therefore, subject to Shareholder approval, the Company's listing on the Official List will be cancelled, with effect from 8.00 a.m. on 4 February 2010, and it is intended that the Ordinary Shares will be subsequently admitted to trading on AIM.

In addition, the Board believes that AIM is a more appropriate market for a company of White Young Green's size and that a transfer of the Ordinary Shares to trading on AIM should lead to lower ongoing costs associated with being a publicly quoted company and a simplification of the Company's administrative and regulatory requirements. It also believes that AIM will offer greater flexibility, particularly with regard to corporate transactions, and should therefore enable the Company to agree and execute certain transactions more quickly, if such opportunities arise in the future.

Conditional upon the Restructuring Resolutions being approved at the Extraordinary General Meeting, the Company will give notice of its intention to cancel the listing of its Ordinary Shares on the Official List and the Company intends to apply to the London Stock Exchange for the admission of the Ordinary Shares to AIM as soon as practicable.

The Board envisages no material alteration in the standards of reporting and governance which the Company currently maintains. Once admitted to AIM, Shareholders should continue to be able to trade the Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary, subject to liquidity.

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

- under the AIM Rules, a Nomad is required to be appointed at all times and has ongoing responsibilities to both the Company and the London Stock Exchange;
- for transactions by AIM companies, prior shareholder approval under the AIM Rules, on the basis of a detailed circular including professional reports, is only normally required for reverse takeovers and disposals which result in a fundamental change of business. Under the Listing Rules, a broader range of transactions require prior shareholder approval and a detailed circular;

- there is no specific requirement in the AIM Rules for the minimum number of shares in an AIM-quoted company to be held in public hands, whereas on the Official List, a minimum of 25 per cent. of a company's issued ordinary share capital normally has to be maintained in public hands at all times under the Listing Rules;
- there is no requirement under the AIM Rules for listing particulars or admission documents to be published for further issues of securities, except as otherwise required by law; and
- the Combined Code does not apply directly to AIM companies.

Private investors should note that it is not possible to hold shares traded on AIM in an Individual Savings Account ("ISA"). Under current HMRC rules, Shareholders will have 30 days following Admission to either transfer their Ordinary Shares out of their ISA or sell their holding and retain the proceeds within the ISA.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price between 8.00 a.m. and 4.30 p.m. on Business Days.

Although the Company intends to apply for all of the Ordinary Shares to be admitted to trading on AIM, following Cancellation there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging or smaller, growing companies and may not provide the liquidity normally associated with the Official List or some other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case.

It is anticipated that trading in the Ordinary Shares on the London Stock Exchange's main market for listed securities will cease at the close of business on 3 February 2010, with cancellation of listing on the Official List taking effect at 8.00 a.m. on 4 February 2010, being not less than 20 Business Days following the passing of the Resolution relating to the Cancellation as required by the Listing Rules. It is anticipated that the Ordinary Shares will be admitted to, and commence trading on, AIM at 8.00 a.m. on 4 February 2010.

The Company has appointed Arbuthnot Securities Limited as its Nomad, conditional on Shareholder approval of the Restructuring, for the purposes of Admission and its listing on AIM thereafter. Arbuthnot Securities Limited is authorised and regulated by the FSA.

16. Rule 9 of the Takeover Code

Rule 9 of the Takeover Code stipulates, *inter alia*, that if a person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company, then such person will normally be required by the Panel to make a general offer to shareholders of that company to acquire the balance of the equity share capital of that company not held by such person or group of persons acting in concert with him. An offer under Rule 9 must be in cash and be at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares in the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons acting together, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of that company. A person has control of a company if he is interested in shares carrying 30 per cent. or more of the company.

17. Current and potential shareholding of the Whitewash Parties

Save as disclosed in paragraph 6 of Part VII of this Document in relation to Lloyds Banking Group, the Lenders had no beneficial interests in the Ordinary Shares as at 8 December 2009, being the last practicable date prior to the posting of this Document. As a result of the Placing to the Lenders and following the Issue to the New Employee Benefit Trust, the Lenders will have a combined interest in 60.5 per cent. of the Enlarged Issued Share Capital. The Lenders' respective interests in Post-Consolidation New Ordinary Shares in the Enlarged Issued Share Capital following the completion of the Restructuring will be as follows:

- Lloyds Banking Group will hold 8,871,776 Post-Consolidation New Ordinary Shares, representing approximately 25.1 per cent. of the Enlarged Issued Share Capital;

- RBS will hold 4,738,165 Post-Consolidation New Ordinary Shares, representing approximately 13.4 per cent. of the Enlarged Issued Share Capital; and
- Fortis will hold 7,752,389 Post-Consolidation New Ordinary Shares, representing approximately 22.0 per cent. of the Enlarged Issued Share Capital.

18. Waiver of Rule 9 in relation to the Restructuring

Lloyds Banking Group, RBS and Fortis are deemed to be acting in concert for the purpose of the Code.

The issue of the Post-Consolidation New Ordinary Shares to Lloyds Banking Group, RBS and Fortis, with each of these parties deemed to be acting in concert under the Takeover Code, under the Placing to the Lenders would normally give rise to an obligation for the Lenders to make a general offer to all Shareholders pursuant to Rule 9 of the Code since it will result in the combined interests in shares of Lloyds Banking Group, RBS and Fortis increasing above 30 per cent. of the issued voting share capital of the Company.

Following an application by the Directors, the Panel has agreed, subject to the approval of the Waiver Resolution on a poll by the Independent Shareholders at the Extraordinary General Meeting, to waive the obligation for any of the Lenders to make a general offer that would otherwise arise as a result of the Restructuring. The Lenders have undertaken not to vote on the Waiver Resolution, save in respect of those Ordinary Shares that they hold as nominee. The effect of the Waiver, if the Waiver Resolution is approved by Independent Shareholders, would be that none of Lloyds Banking Group, RBS and Fortis would be subject to a requirement to make a general offer under Rule 9 of the Code that might otherwise arise as a result of the Restructuring.

The Waiver Resolution is subject to the approval of the Independent Shareholders on a poll and each Independent Shareholder will be entitled to one vote for each Existing Ordinary Share held. For the avoidance of doubt, the Independent Shareholders in respect of the Waiver are all Shareholders other than Lloyds Banking Group, the Related Party Directors and the Related Party Managers, who have undertaken not to vote.

Following completion of the Proposals, the Lenders will between them hold Ordinary Shares carrying more than 50 per cent. of the Company's Enlarged Issued Share Capital and (for so long as they continue to be treated as acting in concert) may accordingly increase their aggregate interests in Ordinary Shares without incurring any obligation under Rule 9 to make a general offer, although the individual Lenders will not be able to increase their percentage interest in Ordinary Shares through or between a Rule 9 threshold without prior Panel consent.

The Lenders do not have any specific intentions regarding the future business of, or strategic plans for, the Group, the locations of the Group's places of business, the redeployment of its fixed assets, the continued employment of its employees or, other than in relation to the appointment of Investor Directors pursuant to the Investment Agreement, the management of the Group following completion of the Restructuring.

19. Information on the Whitewash Parties

Lloyds Banking Group, RBS and Fortis together provide the Existing Lending Facilities.

(a) Information on Lloyds Banking Group

Lloyds Banking Group was incorporated on 21 October 1985 (registration number 95000). Its registered office is at Henry Duncan House, 120 George Street, Edinburgh EH2 4LH. The Lloyds Banking Group is a leading UK based financial services group, whose businesses provide a wide range of banking and financial services in the UK and at a limited number of locations overseas. Its main business activities are retail, commercial and corporate banking, general insurance, and life, pensions and investment provision.

Further information on Lloyds Banking Group is set out in Part VI of this Document.

(b) Information on RBS

RBS was incorporated under Scottish law on 31 October 1984 (registration number SC090312). RBS' registered office is at 36 St Andrew Square, Edinburgh, EH2 2YB. RBS' operations are conducted principally through RBS and its subsidiaries, including National Westminster Bank plc (''NatWest''). RBS and NatWest are major United Kingdom clearing banks. The RBS group has a

large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers in over 50 countries.

Further information on RBS is set out in Part VI of this Document.

(c) Information on Fortis

Fortis was incorporated in Belgium on 5 December 1934 (registration number 0403. 199. 702). Fortis' registered office is at 3, Montagne du Parc, B-1000 Brussels. Fortis is owned by BNP Paribas (74.93 per cent.), the Belgian state (25.0 per cent.) and a small proportion (0.07 per cent.) is held by individual shareholders. Fortis joined BNP Paribas in May 2009.

BNP Paribas is a European leader in banking and financial services. The Group has one of the largest international banking networks, a presence in over 80 countries and more than 205,000 employees, including 165,000 in Europe. BNP Paribas enjoys key positions in its three activities:

- Retail banking
- Investment Solutions (IS)
- Corporate and Investment Banking (CIB)

The recent acquisition of Fortis strengthened the BNP Paribas Group's retail banking activities in Belgium and Luxembourg as well as the Investment Solutions and Corporate and Investment Banking activities. BNP Paribas SA is the parent company of the BNP Paribas Group.

The BNP Paribas Group currently has long-term senior debt ratings of ''Aa1'' with negative outlook from Moody's, ''AA'' with negative outlook from Standard & Poor's and ''AA'' with negative outlook from Fitch Ratings.

Further information on Fortis is set out in Part VI of this Document.

20. Related Party Transactions

It is proposed that each of the Related Party Directors (excluding Mike McTighe) and the Related Party Managers will be granted an option to acquire the number of ''B'' Preference Shares set out against their respective names below, or the proceeds of the same on redemption, from the New Employee Benefit Trust for zero consideration under the terms of the White Young Green Performance Share Plan 2009, proposed to be introduced as part of the new share incentive arrangements.

Name of Related Party Director / Related Party Manager	Number of "B" Preference Shares
Paul Hamer	780,000
David Wilton	480,000
Graham Olver	480,000
Ray Moore	330,000
David Crichton-Miller	330,000

The principal terms applying to awards to be made under the White Young Green Performance Share Plan 2009 are set out in paragraph 3 of Part IV of this Document.

The purpose of granting options over the ''B'' Preference Shares under the terms of the White Young Green Performance Share Plan 2009 is to incentivise the recipients of such options to enhance the equity value in the future, both in the Preference Shares and the Ordinary Shares.

Also, as part of the Restructuring agreed with the Lenders, it is intended that each of the Related Party Directors (excluding Mike McTighe) and the Related Party Managers will be granted an award in respect of a number of Post-Consolidation New Ordinary Shares as set out below, for zero consideration, under the terms of the White Young Green Joint Share Ownership Plan 2009 proposed to be introduced as part of the new share incentive arrangements.

Name of Related Party Director / Related Party Manager	Number of Post-Consolidation New Ordinary Shares
Paul Hamer	1,058,696
David Wilton	264,674
Graham Olver	264,674
Ray Moore	264,674
David Crichton-Miller	264,674

provided always that in the case of each of the individuals mentioned above the number of Post-Consolidation New Ordinary Shares made subject to an award to that individual shall be capped so that the market value of the Post-Consolidation New Ordinary Shares so awarded shall not exceed the individual's base salary.

For these purposes, the market value of the Post-Consolidation New Ordinary Shares under award and an individual's base salary will be measured at the time the invitations are issued to the above named individuals under the White Young Green Joint Share Ownership Plan 2009.

It is further proposed that shortly after the Post-Consolidation New Ordinary Shares have been issued to the New Employee Benefit Trust and have been admitted to trading on AIM, the New Employee Benefit Trust will grant the One-Off Award to Mike McTighe over such number of Post-Consolidation New Ordinary Shares held by the New Employee Benefit Trust as represents 2 per cent. of the Enlarged Issued Share Capital of the Company (or, if less, such number of Post-Consolidation New Ordinary Shares as have a market value of £250,000 at the time that the One-Off Award is offered to Mike McTighe).

The principal terms applying to awards to be made under the White Young Green Joint Share Ownership Plan 2009 and the principal terms of the proposed One-Off Award to be made to Mike McTighe are set out at paragraphs 1 and 2 of Part IV of this Document, respectively.

The purpose of the awards as described above is to provide the Related Party Directors and the Related Party Managers with an interest in the potential growth in value of the Ordinary Shares and therefore to align their interests with Existing Shareholders and the Lenders to enhance the equity value of the Ordinary Shares.

Each Related Party Director and Related Party Manager is either a Director or a director of a subsidiary of the Company and is therefore classified by the Listing Rules as a ''related party''. Consequently:

- the Issue to the New Employee Benefit Trust;
- the implementation of the Investment Agreement and the Framework Agreement;
- the awards over the ''B'' Preference Shares described above to the Related Party Directors (other than Mike McTighe) and the Related Party Managers by the New Employee Benefit Trust under the proposed White Young Green Performance Share Plan 2009;
- the awards over Post-Consolidation New Ordinary Shares described above to the Related Party Directors (other than Mike McTighe) and the Related Party Managers by the New Employee Benefit Trust pursuant to the terms of the proposed White Young Green Joint Share Ownership Plan 2009; and
- the proposed One-Off Award over such number of Post-Consolidation New Ordinary Shares as represents 2 per cent. of the Enlarged Issued Share Capital of the Company (or, if less, such number of Post-Consolidation New Ordinary Shares as have a market value of £250,000 at the time that the One-Off Award is offered to Mike McTighe) to be granted to incentivise Mike McTighe;

are related party transactions under the Listing Rules and will require Independent Shareholder approval at the EGM. The Related Party Directors and the Related Party Managers and their associates will be prohibited from voting in relation to the Related Party Transactions Resolutions as they relate to (i) the establishment of the White Young Green Performance Share Plan 2009 and the grant of the awards thereunder over the ''B'' Preference Shares described above to the Related Party Directors (other than Mike McTighe) and the Related Party Managers, (ii) the establishment of the White Young Green Joint Share Ownership Plan 2009 and the grant of the awards thereunder over Ordinary Shares, as described above, to the Related Party Directors (excluding Mike McTighe) and the Related Party Managers, (iii) the establishment of the arrangements for, and the grant of the One-Off Award to Mike McTighe as

described above, (iv) the Issue to the New Employee Benefit Trust; and (v) the Investment Agreement and the Framework Agreement.

In addition to the above Related Party Transactions, the Company has agreed to pay one-off discretionary bonuses totalling £166,250 to the Related Party Directors on completion of the Restructuring, further details of which are set out in paragraph 4 of Part VII of this Document. Due to the size of the bonuses they are classified as ''smaller related party transactions'' under the Listing Rules and do not therefore require Shareholder approval.

21. Extraordinary General Meeting

A notice convening an Extraordinary General Meeting of White Young Green to be held at the Village Hotel, 186 Otley Road, Headingley, Leeds LS16 5PR at 2.00 p.m. on 6 January 2010 is set out at the end of this Document. At the meeting, Shareholders will be asked to consider the Resolutions, of which numbers one to five and seven to twelve will be required to be approved in order to effect the Restructuring, which will be proposed as follows:

Resolution 1: Ordinary Resolution – Sub-division and reclassification of ordinary shares of five pence each in the capital of the Company

Resolution 1 seeks Shareholders' approval, as required by the 2006 Act and the Articles, to sub-divide and reclassify each of the unissued Ordinary Shares of five pence each in the capital of the Company as new ordinary shares of one penny each in the capital of the Company and to sub-divide and reclassify each of the existing issued ordinary shares of five pence each in the capital of the Company as one new ordinary share of one penny each and one deferred share of four pence each in the capital of the Company.

Resolution 2: Ordinary Resolution – Increase of authorised share capital

Resolution 2 seeks Shareholders' approval, as required by the Articles, to increase the authorised share capital of the Company from £5.0 million to £36.0 million (representing a 620 per cent. increase in the existing authorised share capital) by the creation of 100.0 million New Ordinary Shares, 27.6 million ''A'' Preference Shares and 2.4 million ''B'' Preference Shares, as the current headroom would otherwise be insufficient for the allotment of the 299,934,417 New Ordinary Shares, 27.6 million ''A'' Preference Shares and 2.4 million ''B'' Preference Shares pursuant to the Restructuring.

Resolution 3: Ordinary Resolution – Approval of Placing Price

Resolution 3 seeks Shareholders' approval, as required by the Listing Rules, to the issue of the New Ordinary Shares for a cash price of approximately 7.6 pence per New Ordinary Share (prior to the Share Consolidation), which represents a discount of approximately 35.0 per cent. to the Closing Price of the Existing Issued Ordinary Shares on 29 October 2009 (being the last Business Day before the Announcement).

Resolution 4: Ordinary Resolution – Authority to allot shares

Resolution 4 seeks Shareholders' approval, as required by the 2006 Act, to the granting of authority to the Directors to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £32,999,344 as follows:

1. 299,934,417 New Ordinary Shares (which will be 29,993,441 Post-Consolidation New Ordinary Shares) in connection with the Restructuring;
2. 27,600,000 ''A'' Preference Shares in connection with the Restructuring;
3. 2,400,000 ''B'' Preference Shares in connection with the Restructuring.

The authority in respect of the New Ordinary Shares equates to 566 per cent. of the issued ordinary share capital of the Company at the date of this Document. This authority will expire six months after the passing of this resolution. This authority is without prejudice to, and in addition to, all subsisting authorities.

The Directors intend to exercise this authority for the purposes of allotting 299,934,417 New Ordinary Shares (which will be 29,993,441 Post-Consolidation New Ordinary Shares), 27,600,000 ''A'' Preference Shares and 2,400,000 ''B'' Preference Shares pursuant to the Restructuring.

As at the date of this Document the Company held no treasury shares.

Resolution 5: Special Resolution – Disapplication of pre-emption rights

Resolution 5 seeks Shareholders' approval, as required by the 2006 Act, to disapply shareholder statutory pre-emption rights in relation to the issue of the 299,934,417 New Ordinary Shares (which will be 29,993,441 Post-Consolidation New Ordinary Shares), the 27,600,000 ''A'' Preference Shares and the 2,400,000 ''B'' Preference Shares pursuant to the Restructuring. Resolution 5 proposes to permit the issue of these New Ordinary Shares, ''A'' Preference Shares and ''B'' Preference Shares pursuant to the Restructuring on a non pre-emptive basis. This disapplication proposed in resolution 5 will cover Ordinary Shares with an aggregate nominal value of £2,999,344, being 566 per cent. of the issued ordinary share capital of the Company at the date of this Document.

Resolution 6: Special Resolution – Amendment of Articles of Association of the Company

Resolution 6 seeks Shareholders' approval, as required by the 2006 Act, to amend the current Articles of Association of the Company so as to delete all provisions of the articles which have been incorporated into the articles from the Memorandum of Association of the Company (with effect from 1 October 2009) as a result of the operation of section 28 of the 2006 Act.

Resolution 7: Special Resolution – Adoption of New Articles of Association of the Company

Resolution 7 seeks Shareholders' approval, as required by the 2006 Act, for the adoption of the New Articles of Association. The New Articles will differ materially from the Articles to reflect, *inter alia*, the fact that as a result of the implementation of the Restructuring (i) the Company's share capital will be comprised of four classes of shares; (ii) the Ordinary Shares will no longer be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities and will instead be admitted to trading on AIM; and (iii) the Lenders will own 60.5 per cent. of the ordinary share capital of the Company. A summary of some of the key provisions of the New Articles is set out in paragraph 6 of Part III of this Document.

Resolution 8: Ordinary Resolution – Takeover Panel Rule 9 waiver

Resolution 8 seeks Independent Shareholders' approval as explained in paragraph 18 above for a waiver of the obligation that would otherwise arise under the Takeover Code for one or all of the Lenders to make a general offer for the entire issued share capital of the Company as a result of completion of the Restructuring. This resolution will need to be approved by way of a poll of Independent Shareholders.

Resolution 9: Ordinary Resolution – Related Party Transactions

Resolution 9 seeks Independent Shareholders' approval of the Related Party Transactions, as required by the Listing Rules.

Resolution 10: Ordinary Resolution – Approval of the establishment of the New Share Incentive Plans and the One-Off Award

Resolution 10 seeks Shareholders' approval, as required by the Listing Rules, to the establishment of the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009 and the establishment of the arrangements for Mike McTighe pursuant to which he will be granted the One-Off Award, the principal terms of each of which are summarised in Part IV of this Document.

Resolution 11: Ordinary Resolution – Approval under Rule 16 of the Takeover Code

Resolution 11 seeks Independent Shareholders' approval (for the purpose of the Takeover Code) of the White Young Green Joint Share Ownership Plan 2009, the White Young Green Performance Share Plan 2009 and the One-Off Award as described in Part IV of this Document. The Takeover Code requires that the vote on the Joint Share Ownership Plan 2009, the White Young Green Performance Share Plan 2009 and the One-Off Award be conducted by way of a poll and that only Independent Shareholders should vote on such a resolution.

Resolution 12: Special Resolution – Cancellation of listing on the Official List and move to AIM

Resolution 12 seeks Shareholders' approval, as required by the Listing Rules, to the cancellation of the listing of the Company's shares on the Official List and the transfer to AIM of the entire issued ordinary share capital of the Company.

Resolution 13: Ordinary Resolution – Share Consolidation

Resolution 13 seeks Shareholders' approval, as required by the 2006 Act and the Articles, to consolidate every 10 Existing Ordinary Shares and New Ordinary Shares into one Post-Consolidation Ordinary Share. Further details in relation to the proposed share consolidation are set out in paragraph 11 of Part I of this Document.

Resolution 14: Ordinary Resolution – Breach of borrowing powers

A technical issue has arisen in respect of the powers conferred upon the Board by Article 110.2 of the Articles of Association to incur borrowings on behalf of the Company. The Articles of Association contain a borrowing restriction which, broadly speaking, requires the Directors to restrict the borrowings of the Group to three times the share capital and consolidated reserves (as defined in Article 110.2 of the Articles of Association) and not to exceed such limit without the previous sanction of an ordinary resolution of the Company. The Existing Facilities Agreement was signed in February 2007 and drawings on the facilities have remained within the above borrowing restriction until the Company's accounts for the financial year ended June 2009 were completed in October 2009. As a result of various factors, including the very significant exceptional costs that the Company incurred in the financial year ended 30 June 2009 in respect of, *inter alia*, redundancies, the write down of work-in-progress and trade receivables balances and the impairment of goodwill, the share capital and consolidated reserves of the Company (as referred to above) have been substantially reduced to the extent that, in aggregate, they are now negative. Consequently, the Company has inadvertently exceeded the borrowing limit in the Articles. This breach can, however, be remedied by Shareholders passing a resolution to ratify this breach and therefore the Board is requesting Shareholders to ratify the breach of the borrowing powers limit contained in Article 110.2 which has occurred. The breach of the Articles also constitutes a breach of the Existing Facilities Agreement. The Lenders have agreed to suspend any enforcement action in relation to this issue (but not to waive the relevant breach) until the earlier of (i) 5.00 p.m. on 8 January 2010; and (ii) the date (if any) on which the Lenders terminate their obligations to enter into the Restructuring, which they are entitled to do, *inter alia*, if Shareholders fail to pass all of the Restructuring Resolutions at the EGM. If, however, the Restructuring Resolutions are all passed and Completion takes place, then the Existing Facilities Agreement (and this breach under it) will fall away and be replaced by the Restructured Facilities Agreement.

Serious loss of capital

On the basis of the audited accounts for the financial year ended 30 June 2009, the value of the Company's net assets is now less than half of its called-up share capital. In such circumstances, the Directors are required under section 656 of the 2006 Act to convene a general meeting of the Company for the purpose of considering whether any, and if so, what steps should be taken to deal with the situation.

However, the Board has taken action that it believes is appropriate to address the current circumstances of the Group which has resulted in the proposals contained in the announcement made on 30 October 2009 and the Restructuring Resolutions. As such, the Board does not see a need for further steps to be proposed at the EGM.

22. Participants in the Share Incentive Plan and Employee Share Participation Scheme, Long Term Incentive Plan and Executive Share Option Scheme

If you are an employee who participates in the Share Incentive Plan or the Employee Share Participation Scheme, Ordinary Shares in respect of which you have been made awards are held in trust. You are eligible to instruct the SIP Trustee in relation to the Share Incentive Plan and the Irish Trustee in relation to the Employee Share Participation Scheme, as to how to vote on the Resolutions at the EGM. The SIP Trustee and Irish Trustee will be writing to you separately with all of the relevant information that you will need and that letter will also enclose the necessary voting card in order for you to take appropriate action.

If you hold an outstanding option or award under the Long Term Incentive Plan or Executive Share Option Scheme you need not take any action in so far as voting is concerned on the Ordinary Shares subject to such option. The reason for this is that unless and until you exercise the rights under such award / option, you are not the holder of the Ordinary Shares subject to such award / option and therefore have no entitlement to vote on such Ordinary Shares. The Company will write to you in due course to explain

the effect of the Restructuring on your options and / or awards under the Long Term Incentive Plan and Executive Share Option Scheme.

23. Action to be taken

A Form of Proxy for use at the Extraordinary General Meeting accompanies this Document. Whether or not Shareholders intend to be present at the EGM, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions thereon to Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to arrive by no later than 2.00 p.m. on 4 January 2010. Completion and return of the Form of Proxy does not preclude a Shareholder from attending the EGM and voting in person if they wish to do so.

If you are an employee and participate in the Share Incentive Plan or the Employee Share Participation Scheme you should NOT return the Form of Proxy in respect of your Ordinary Shares held in the SIP Trust or the Irish Trust (as the case may be). Instead you should return the voting card to the SIP Trustee or the Irish Trustee (as the case may be) in accordance with the instructions set out in the separate letter being sent to you by the SIP Trustee or the Irish Trustee (as the case may be).

24. Further information

You should read the whole of this Document and any documents incorporated by reference and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out on pages 29 to 39 of this Document. Your attention is also drawn to the information set out in Part VII ("Additional Information") of this Document.

25. Working capital

25.1 *With the Restructuring*

Following completion of the Restructuring, the Company is of the opinion that, with the Refinanced Lending Facilities, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this Document.

25.2 *Without the Restructuring*

If Shareholders do not approve the Restructuring Resolutions, the Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Document.

The Board believes that if Shareholders do not approve the Restructuring Resolutions, the Group is highly likely to suffer material adverse consequences including, but not limited to:

- substantial deterioration in the support of customers, employees and other stakeholders;
- potential damage to White Young Green's reputation and customer goodwill; and
- deterioration in the support of the Lenders, based on the Directors' belief that the Group is highly unlikely to be able to comply with the terms and conditions of the Existing Facilities Agreement.

Whilst the Board recognises that it is difficult to predict the severity of these adverse consequences and the speed at which they would occur, the Board believes that the Group would not be able to continue to operate within its Existing Lending Facilities and would require significant immediate emergency funding.

Your Board is of the view that it is highly probable that appropriate emergency funding sources would not be available. In this event, the Group would be unable to sustain its position as a going concern and would be forced to enter into administration or some other form of insolvency procedure.

The Board believes that in an administration or other insolvency process it is highly unlikely that the Ordinary Shares would retain any value. The Board is of the opinion that the Restructuring represents the only available route to achieving a long-term sustainable capital structure for the benefit of all stakeholders in the current market conditions.

26. Irrevocable undertakings

White Young Green has received irrevocable undertakings from each of the Independent Directors, who hold Existing Ordinary Shares, to vote in favour of each of the Resolutions in respect of their entire beneficial holdings and to take all steps reasonably necessary to procure that their associates (as defined in the Listing Rules) vote in favour of the Resolutions in respect of such associates' entire beneficial

holdings, and pursuant to which the Independent Directors have agreed not to dispose of (or permit the disposal of) Existing Ordinary Shares in which they are beneficially interested, and to take all steps reasonably necessary to procure that their associates do not dispose of (or permit the disposal of) any Existing Ordinary Shares in which such associates are interested, until the earlier of (i) the date on which the Resolutions are proposed and voted on and (ii) 31 January 2010. These irrevocable undertakings are given in respect of, in aggregate, 26,583 Existing Ordinary Shares, representing in aggregate approximately 0.05 per cent. of the Existing Issued Share Capital.

White Young Green has also received irrevocable undertakings from David Wilton, Paul Hamer (Related Party Directors) and Raymond Moore (a Related Party Manager), to vote in favour of each of the Resolutions, other than the Related Party Transactions Resolutions, in respect of their entire beneficial holdings and to take all steps reasonably necessary to procure that their associates (as defined in the Listing Rules) vote in favour of each of the Resolutions, other than the Related Party Transactions Resolutions, in respect of such associates' entire beneficial holdings, and pursuant to which they have agreed not to dispose of (or permit the disposal of) Ordinary Shares in which they are beneficially interested, and to take all steps reasonably necessary to procure that their associates do not dispose of (or permit the disposal of) any Existing Ordinary Shares in which such associates are interested, until the earlier of (i) the date on which the Resolutions are proposed and voted upon and (ii) 31 January 2010. The irrevocable undertakings also contain an obligation to abstain from voting on each of the Related Party Transactions Resolutions and to take all steps reasonably necessary to procure that their associates abstain from voting on each of the Related Party Transactions Resolutions. These irrevocable undertakings are given in respect of, in aggregate, 146,130 Existing Ordinary Shares, representing in aggregate approximately 0.28 per cent. of the Existing Issued Share Capital but do not include any Existing Ordinary Shares held on behalf of David Wilton, Paul Hamer or Raymond Moore under the Share Incentive Schemes.

27. Importance of the vote

All of the Restructuring Resolutions must be passed by Shareholders at the Extraordinary General Meeting in order for the Proposals, including the Restructuring, to be implemented and, due to the conditionality described above, in order for the Refinanced Lending Facilities to become effective.

If all of the Restructuring Resolutions are not passed, the Restructuring will not proceed and the Refinanced Lending Facilities will not be made available. In this event the Group will remain subject to the Existing Facilities Agreement and the financial covenants therein. The Lenders have agreed to defer testing of the financial covenants until the earlier of (i) 5.00 p.m. on 8 January 2010; and (ii) the date (if any) on which the Lenders terminate their obligations to enter into the Restructuring, which they are entitled to do, *inter alia*, if Shareholders fail to pass all of the Restructuring Resolutions at the EGM. If, however, the Restructuring Resolutions are all passed and Completion takes place, then the Existing Facilities Agreement (and any breaches under it) will fall away and be replaced by the Restructuring Facilities Agreement. Should the Restructuring Resolutions not be passed by Shareholders at the Extraordinary General Meeting, the Group would be in immediate breach of the covenants and be in default under the Existing Facilities Agreement at that time. Such a default under the Existing Facilities Agreement would entitle the Lenders to demand repayment of all outstanding amounts (which are approximately £91.8 million, as at 4 December 2009, being the latest practicable date prior to the publication of this Document) and to cancel the facilities. The Group would then face administration or other insolvency proceedings as the Board believes that alternative sources of debt or equity finance are very unlikely to be available. This would, in the Board's opinion, result in Shareholders receiving no value for their current shareholdings.

The Board believes that if the Restructuring takes place, the resulting stronger capital base will provide the Group with greater financial and operational flexibility and resilience in the event that the adverse conditions currently being experienced in the Group's core markets persist for an extended period of time or these core markets weaken further.

28. Recommendation

The Board, which has been so advised by Rothschild, considers that the Resolutions and the Proposals are fair and reasonable as far as the Shareholders are concerned and in the best interests of the Company and of Shareholders as a whole. In providing such advice, Rothschild has taken into account the commercial assessment of the Board.

Accordingly, the Board recommends that Shareholders vote in favour of all of the Resolutions to be proposed at the Extraordinary General Meeting as the Independent Directors intend to do in respect of the Ordinary Shares in which they are beneficially interested (representing, in aggregate, 0.05 per cent. of the issued voting share capital of the Company) and as the Related Party Directors and Related Party Managers intend to do (in relation to the Resolutions other than the Related Party Transactions Resolutions) in respect of the Ordinary Shares in which they are beneficially interested (representing, in aggregate, 0.28 per cent. of the Existing Issued Share Capital).

The Related Party Directors have taken no part in the Board's consideration of the Related Party Transactions. Each of the Related Party Directors and the Related Party Managers have undertaken not to vote on the Related Party Transactions Resolutions and have undertaken to take all reasonable steps to ensure their respective associates do not vote on the Related Party Transactions Resolutions at the Extraordinary General Meeting.

Yours faithfully

Robert Barr and John Richardson
Independent Directors

PART II

RISK FACTORS

Shareholders should consider carefully all of the information set out in this Document and all of the information incorporated by reference into this Document, including, in particular, the risks described below. The risks described below are based on information known as at the date of this Document which the Directors consider material, but may not be the only risks to which the Group is exposed. Additional risks and uncertainties, which are currently unknown to the Group or that the Group does not currently consider to be material, may materially affect the business of the Group and could have material adverse effects on the Group's business, financial condition and results of operations. The information set out below does not constitute an exhaustive summary of the risks affecting the Group and is not set out in order of priority.

If any of the following or other risks were to occur, the Group's business, financial condition, capital resources, results and / or future operations could be materially adversely affected and the value of the Ordinary Shares could decline and investors could lose all or part of the value of their investment.

(a) Risk factors relating to the Proposals

If the Restructuring does not proceed the Group will breach certain covenants in the Existing Facilities Agreement and, consequently, face the possibility of insolvency at that time

If all of the Restructuring Resolutions are not passed, the Restructuring will not proceed and the Refinanced Lending Facilities will not be made available. In this event the Group will remain subject to the Existing Facilities Agreement and the financial covenants therein. The Lenders have agreed to defer testing of the financial covenants until the earlier of (i) 5.00 p.m. on 8 January 2010; and (ii) the date (if any) on which the Lenders terminate their obligations to enter into the Restructuring, which they are entitled to do, *inter alia*, if Shareholders fail to pass all of the Restructuring Resolutions at the EGM. If, however, the Restructuring Resolutions are all passed and Completion takes place, then the Existing Facilities Agreement will fall away and be replaced by the Restructured Facilities Agreement. Should the Restructuring Resolutions not be passed by Shareholders at the Extraordinary General Meeting, the Group would be in immediate breach of the covenants and be in default under the Existing Facilities Agreement at that time. Such a default under the Existing Facilities Agreement would entitle the Lenders to demand repayment of all outstanding amounts and to cancel the facilities. The Group would then face administration or other insolvency proceedings as the Board believes that alternative sources of debt or equity finance are very unlikely to be available. This would, in the Board's opinion, result in Shareholders receiving no value for their current shareholdings.

The Placing and the Issue to the New Employee Benefit Trust generally will give rise to significant dilution for Shareholders in their ownership of the Company. In addition, if the Company decides to offer additional Ordinary Shares in the future, this could result in the dilution of the interests of Existing Shareholders

The Placing will result in a significant dilution of the proportionate holdings of Existing Shareholders as described further in this Document.

In addition, if the Company decides to offer additional Ordinary Shares in the future, this could dilute the interests of Existing Shareholders and / or have an adverse impact on the market price of the Ordinary Shares. The Company has no current plans for any subsequent offering of its Ordinary Shares in the next 12 months, other than Ordinary Shares issued in connection with the Share Incentive Schemes.

The issue of the Preference Shares as part of the Restructuring will dilute the equity stake in the Company held by holders of Ordinary Shares in the aggregate equity claims on the Company

Part of the Restructuring involves the issue of £30.0 million of Preference Shares to the Lenders (with £2.4 million of these Preference Shares in the form of ''B'' Preference Shares being issued at the direction of the Lenders to the New Employee Benefit Trust for the benefit of the Related Party Directors (other than Mike McTighe) and the Related Party Managers). The Preference Shares will be unlisted and hold no voting rights, though the Company will be subject to various investor approval obligations under the Investment Agreement. The Preference Shares will, however, carry voting rights if: (i) any proposed resolution affects the rights attached to either class of the Preference Shares; or (ii) a resolution is proposed to wind up the Company, then the relevant resolution may not be passed without the prior

approval of the holders of more than 75 per cent. of the relevant class of Preference Shares then in issue in the case of (i) above, and the prior approval of the holders of more than 75 per cent. of each class of Preference Shares then in issue (in the case of (ii) above). On a liquidation, winding up, dissolution of the Company, reduction of capital or otherwise, the holders of the Preference Shares shall be entitled to receive before any return to holders of Ordinary Shares an amount equal to the nominal value of the Preference Shares, being £1.00 each, all accrued Preference Dividends and, in relation to the ''A'' Preference Shares, if applicable, the Redemption Premium.

On any sale of the entire issued share capital of the Company, the consideration shall be allocated so that the holders of the Preference Shares shall receive a sum equal to the sum of the nominal value of such shares, together with any Preference Dividends that have become due and payable and, in the case of the ''A'' Preference Shares only, the Redemption Premium (provided that the holders of at least 51 per cent. of the ''A'' Preference Shares may agree that a lesser amount may be paid in respect of the ''A'' Preference Shares) and next in paying to the holders of the Ordinary Shares and the Deferred Shares (*pari passu* as if the same constituted the same class) an amount equal to the nominal value of such shares and the balance, if any, shall be distributed amongst the holders of the Ordinary Shares.

The holders of Ordinary Shares may therefore find that their share or claim upon the Company in any sale of the entire issued share capital of the Company, a liquidation, winding up or dissolution of the Company, or similar such event, has little or no value.

Shareholders may be exposed to risks associated with the liquidity of the Ordinary Shares, fluctuations in the price of the Ordinary Shares and other effects of new major holders of Ordinary Shares if the Placing and Restructuring take effect

The effect of the Placing and Restructuring are that Shareholders' existing holdings will be significantly diluted as a proportion of the total outstanding Ordinary Shares in the Company and that, on Admission, a large proportion of the Ordinary Shares then in issue will be held by the Lenders.

There is therefore a risk that the liquidity in the stock, measured against the total number of Ordinary Shares in issue, will be lower than is currently the case, unless the Lenders choose to trade all or part of their holdings. A significant proportion of the Company's Enlarged Issued Share Capital will also be held by the New Employee Benefit Trust, for the purposes of issue to Related Party Directors, Related Party Managers and Employees under the New Share Incentive Plans. The Lenders, the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust have agreed in the Investment Agreement not to transfer or otherwise dispose of any Post-Consolidation Ordinary Shares for a period of time following Completion. Further details are set out in Part III of this Document. In addition, the fluctuations in the price of the Ordinary Shares may be greater than would otherwise be the case, particularly if the Lenders choose to dispose of all or part of their respective stakes, or if there is speculation that they may do so. Any such disposal may also make it difficult for the Group to issue equity securities in the future at a time and at a price that it deems appropriate.

Shareholders may be exposed to risks associated with the Cancellation and Admission

Whilst Admission is not expected to affect the way in which Shareholders buy and sell Ordinary Shares, the market for shares on AIM may be less liquid or subject to greater fluctuation than the Official List and shares traded on AIM may be perceived as carrying a higher risk than shares listed on the Official List. The rules of AIM are less demanding than those of the Official List. The liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

The Company's payment of dividends on Ordinary Shares has been suspended, and its ability to resume paying dividends on Ordinary Shares will depend on future performance, cash flows generated by the Group and the terms of borrowing facilities prevailing at that time and the ability to redeem the Preference Shares, amongst other factors

As announced on 30 October 2009 in the Company's audited results for the year ended 30 June 2009 and as described in the Company's annual report and accounts for the same period published on 30 October 2009, the Directors have decided that it is in the best interests of the Company not to propose a final dividend for the year ended 30 June 2009.

In addition, the Restructured Facilities Agreement contains a restriction prohibiting the payment of a dividend on the Ordinary Shares until the repayment in full of the Refinanced Lending Facilities, which is

scheduled for January 2013 and, further, under the terms of the Investment Agreement, no dividends can be declared on any class of shares in the Company without the consent of the holders of at least 60 per cent. of the ''A'' Preference Shares. The New Articles also require that, if a dividend is declared on the Ordinary Shares, a preferred dividend equal to one per cent. of any dividend declared on the Ordinary Shares will first be paid to holders of the ''A'' Preference Shares and ''B'' Preference Shares.

Therefore, there can be no certainty that holders of Ordinary Shares will be entitled to receive a dividend on Ordinary Shares for at least the duration of the Refinanced Lending Facilities and the period prior to redemption in full of the Preference Shares. If at any time in the future the Refinanced Lending Facilities are refinanced or amended and either the Preference Shares are redeemed in full or the consent of the holders of at least 60 per cent. of the ''A'' Preference Shares is obtained, there may be the possibility that payment of a dividend to holders of Ordinary Shares may be permitted thereafter, though there can be no certainty of this.

Furthermore, under the 2006 Act, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, the Company's results of operations and financial condition are dependent on the trading performance of members of the Group. The Company's ability to pay dividends in the future will depend on the level of distributions, if any, received from its subsidiaries, the progress of the Group's business, its ability to be profitable in future, availability of distributable reserves and cash received from subsidiaries. Certain of the Group's operating subsidiaries may, from time to time, be subject to restrictions on their ability to pay dividends or distributions to the Company, and there can be no assurance that such restrictions will not have a material adverse effect on the Group's business, financial condition or results of operations. This could limit the payment of dividends and other distributions to the Company by its subsidiaries, which could in turn restrict the Company's ability to pay a dividend to holders of the Ordinary Shares. See paragraph 13 (''Dividends and dividend policy'') of Part I (''Letter from the Independent Directors of White Young Green'') of this Document.

The Group is exposed to the risk that customers or other stakeholders may exercise change of control clauses within trading contracts if the Restructuring is completed

The Group enters into trading contracts with its customers, and various other stakeholders, that contain change of control clauses. Such clauses allow the contract to be declared void should there be change of control of the Company (or, in certain circumstances, of certain of the subsidiaries within the Group). The Group is therefore at risk that certain contracts will be declared void by customers or other stakeholders, such that this could have a material adverse effect on the Group's business, financial condition or result of operations.

(b) Risk factors relating to White Young Green

Any failure of the Group to meet its debt obligations or comply with the terms of its debt facilities could have a material adverse effect on its business, financial condition or results of operations

The Group relies on external funding sources to finance a significant proportion of its operations. The Company is of the opinion that, following completion of the Restructuring, with the Refinanced Lending Facilities the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this Document. However, in the longer term, the Group may be required to refinance or renegotiate the terms of those facilities, including the covenants, and may have to incur significant costs and administrative burden in doing so. If the Group fails to comply with its covenants or fails to pay any of its debt obligations, this may result in cross-default on its other debt obligations, an acceleration of debt repayment obligations and an inability to refinance its debt, which could increase the Company's costs of funding, harm its ability to incur additional indebtedness on acceptable terms and affect its relationship with suppliers, customers, employees or other stakeholders, or in certain circumstances lead to the insolvency of the Group, and in turn therefore have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the risk that, in the longer term, it may not be able to obtain future financing on favourable terms or at all

The tightening in global credit markets limited the supply, and increased the cost, of credit for many corporate borrowers. It is uncertain for how long such conditions will prevail. As a result, in the longer term, when the Group's financing arrangements mature, future debt funding may not be available to the Group or only available on less attractive terms and the Group's borrowing costs may increase. An

inability to secure appropriate levels or terms of financing would be likely to have a material adverse effect on the Group's business, financial condition and operating results.

The Group may not be successful in implementing in full its strategic plan, or implementing that plan in the timescale envisaged, including the initiatives designed to maximise cash generation, enhance revenue opportunities, reduce the Group's cost base and position the business for the difficult trading conditions in its markets

The Group has recently implemented its strategic plan, which the Directors believe is a multi-faceted approach to improving the operations, structure, financial strength and performance of White Young Green. The strategic plan includes initiatives designed to: overhaul and invest in Group-wide processes, systems and people; improve and strengthen the Group's capital structure and de-leverage its balance sheet; de-risk the Group by exiting operations that are deemed to generate insufficient returns on capital employed and by ensuring that the remaining operations perform better than previously was the case; rationalise the Group's cost base; fully integrate the best performing acquisitions made by the Group in recent years in order to spread best practice, knowledge and technical skills wider across the Group; create value-enhancing geographic diversification through the international division; and, finally, to move towards excellence across all parts of the Group, by moving the business towards higher value-added work, focusing on higher-margin work and creating a more streamlined, efficient and effective corporate structure. The Board believes that it has delivered significant improvements through implementing a number of these parts of the strategic plan, although there remain parts of the strategic plan that have not yet been implemented, either in part or in full.

There remains a risk that the strategic plan cannot be implemented in full or in the manner and timescale that the Directors currently believe achievable. There is the further risk that the strategic plan does not deliver either in full or on time the benefits which the Directors believe will accrue to the Group. Therefore, there is a risk that the Directors are not as successful in implementing the strategic plan as they currently expect to be, or not in the timescales that they currently envisage, and that as a consequence there is an adverse effect on the Group's business, financial condition and results of operations.

The Group's restructuring and cash management initiatives in response to the recent economic downturn may prove unsuccessful or harmful to the Group's future operations and results, or may not be implemented on time or at all, any of which could have a materially adverse effect on the Group's business, financial condition or results of operations

In response to the recent deterioration of the markets in which the Group operates, as well as the macroeconomic downturn, the Group has engaged in a programme of restructuring with the aim of increasing cash generation and reducing costs of the business. As part of this restructuring the Group closed 17 offices and effected a headcount reduction of approximately 800, during the year ended 30 June 2009. In addition, the Group has reduced planned capital expenditure, suspended the payment of dividends and recently converted €38 million of Euro-denominated debt into sterling in order to protect against exchange rate movements. In relation to the programme of restructuring, the Group recorded exceptional restructuring charges of £138.8 million in the year ended 30 June 2009.

The Group's expectations of the financial benefits of the restructuring are based upon certain assumptions and variables regarding, amongst other things, future market conditions, changes in exchange rates and interest rates and the trading performance of the Group. There can be no assurance that such assumptions will prove correct, or that the expected savings will materialise as a result of such restructuring. Furthermore, these restructuring initiatives may prove to be more costly than anticipated, for instance if costs of office closures are greater than expected or if new information and reporting systems cost more than expected. Certain aspects of the restructuring, in particular those affecting investments such as the reduction in planned capital expenditures, and consequential effects such as the delay of certain business improvement initiatives in order to reduce cash outflow, may prove detrimental and make the Group less competitive in the future. Even if the Restructuring is implemented on time and as planned, there is a risk that the measures taken are not adequate to preserve the Group's cash, reduce its costs, and support its business to the extent required to withstand the economic downturn. Therefore, in the longer term, the delay in, or incomplete implementation of, the restructuring measures could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be affected by adverse changes in its markets

The Group provides white collar consulting and infrastructure services to customers in the public and private sectors. The Group's core markets are the built environment market (covering the construction and house building sectors, amongst others), the environment, transport and planning markets, the engineering market and the rail infrastructure market. Each of these markets has been adversely affected by the recent economic downturn and the medium to long term outlook for the Group's markets is uncertain. In particular, the UK and the Republic of Ireland markets have been adversely affected by the wider economic downturn and the extended period of recession in the house building and construction sectors.

The level of activity in the Group's markets is affected by a very broad range of factors, including government spending on infrastructure programmes, the residential and commercial property markets and private sector infrastructure investment. Any adverse changes in the Group's markets, whether caused by these factors or by other factors, may have an adverse effect on its business, financial position and results of operations.

The Group is subject to risks related to the international nature of its business

The Group operates predominantly in the UK and mainland Europe, and has a small but growing white collar consulting services business in other parts of the world. The Group is subject to specific risks of conducting business in different jurisdictions across Europe and other parts of the world. These risks include but are not limited to: fluctuations in currency exchange rates; logistical, management and operational challenges of operating across several jurisdictions having different business cultures, laws and languages; economic, social or political instability in some international markets and regions; changes in foreign laws and regulatory requirements; regulatory restrictions relating to white collar consulting services and uncertainty and potential ineffectiveness or lack of enforcement of laws to protect trademarks and other intellectual property in various jurisdictions. The Group is also exposed to changes in tax regulation and international tax treaties, including, but not limited to, changes to UK tax legislation, which may negatively affect the Group's cost of funding and its flexibility to structure its commercial, tax and treasury operations.

The Group may be adversely affected by any reduction, or deferral, of government spending on infrastructure projects

Each of the Group's divisions are heavily influenced by the direct or indirect impact of government spending programmes, and in the case of the international division, the spending programmes of various overseas governments. For the year ended 30 June 2009, approximately 64 per cent. of White Young Green's revenue was generated by public sector work. Recent government announcements, and the most recent budget, have indicated that there may be cutbacks in the overall level of government spending on infrastructure projects in the future, or at least that certain sectors may suffer from cutbacks. Any reduction in government spending affecting sectors on which the Group relies may adversely impact the performance of the Group and may in turn have a material adverse effect on its business, financial condition or results of operations.

The Group may be affected adversely by the actions of its competitors

The Group operates in a number of different markets in several countries, and therefore competes against a large number of other companies across different service lines. Whilst the Directors believe that White Young Green is well positioned in these markets, the Group remains exposed to the adverse impact of the actions of its competitors. Indeed, the Group has faced these challenges in recent times due to the weak trading conditions faced by the Group and the uncertainty caused by both these trading conditions and the extended period of renegotiations of the Group's debt facilities, through which competitors have sought to take advantage, to the Group's detriment. The Group attempts to mitigate this risk by continually seeking to improve its competitive position. Nonetheless, there is a risk that the actions of the Group's current or potential competitors may have an adverse effect on its business, financial condition or results of operations.

The Group may be adversely affected by circumstances that cause damage to White Young Green's reputation and customer goodwill

The performance of White Young Green is influenced significantly by the reputation of the Group and each of its individual operating divisions, and is also influenced by maintaining positive business relationships and customer goodwill. This is particularly the case because of the value-added, technical

and professional services which the Group provides in the white collar consulting markets. Whether caused by the Group's own actions or by third party influences, any damage to the Group's reputation or customer goodwill could have a material adverse effect on its ability to trade competitively in its markets, win new business and retain existing customers and contracts. Indeed, the Group has suffered from the effects of uncertainty regarding its financing and trading situation in recent times, which has had an adverse effect on its reputation and customer goodwill. Any further deterioration in the Group's reputation and goodwill could have an adverse effect on its business, financial condition and results of operations.

The Group could be adversely affected if an important customer, or a number of important customers, were to withdraw "approved supplier" status

Certain of the Group's revenues are dependent on being designated an "approved supplier" by a number of customers. There can be no guarantee that the Group will retain "approved supplier" status, particularly if there is any deterioration in the Group's business, financial condition, operating results or reputation caused by other factors outside of the Group's control. The Group seeks to mitigate such risks by ensuring that it has ongoing dialogue with these customers and by monitoring its business relationships with them. However, loss of such status may result in a loss of certain customer contracts, inhibit the ability to win new contracts and potentially cause a reduction in future revenues. This could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group is exposed to risks associated with its significant reliance on the reputation of its various brands

For a significant proportion of its revenues, the Group depends on several key brands which may suffer an impairment of reputation due to: complaints and litigation from customers, employees or other third parties; alleged project-related delivery failure or injury, health, environmental, safety or operational concerns; negligence or failure to comply with applicable laws and regulations; or other factors outside of the Group's control. Any such negative impact on the Group's brands could have a material adverse effect on the Group's business, financial condition or result of operations.

The Group is exposed to risks concerning litigation or claims in connection with professional negligence, or similar matters, in respect of the services that the Group provides

White Young Green operates in a number of professional service markets in which there is an inherent risk of claims for alleged professional negligence in respect of the services provided. Indeed, in common with its competitors, White Young Green receives numerous professional negligence or similar claims on an ongoing basis, with the number of such claims and the amount being claimed by claimants having increased during the recent economic downturn. The Group is insured against the majority of professional negligence claims, which provides the Group with a certain level of protection against such claims, though it does not completely mitigate the Group's exposures to the claims. For example, certain claims may not be covered by the Group's insurance policies, or for claims that are covered by insurance policies but are successfully resolved in favour of the claimant, the Group would incur payment of an excess on the insurance policy.

The Group seeks to further mitigate the risks of professional negligence or similar claims by implementing various processes and controls that seek to maintain and improve service quality and by the implementation of internal review procedures which are designed to respond quickly to any such claims in order to limit the exposure of the Group. However, White Young Green cannot be certain that such procedures will ensure that omissions or errors do not occur or that the Group's potential exposure to liabilities is fully mitigated. In addition, White Young Green cannot be certain that the insurance premiums that the Group incurs in seeking to mitigate the risks of litigation or claims will not rise in future, whether because of Group-specific or other factors.

Notwithstanding the mitigation provided by insurance cover and the Group's own processes and controls, there is a risk that the impact of professional negligence or similar claims may have an adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the risk that it may be unable to retain members of its senior management team or attract or retain other key employees

The Group's success depends, to a significant extent, on the continued services of its directors and senior management team, which have substantial experience in the industry and in their specific roles. In

addition, the Group's ability to continue to identify and develop opportunities to develop and strengthen the position of the business depends on the management team's knowledge of, and expertise in, the Group's markets. There is no guarantee that any of the senior management team will remain employed by the Group.

The Board has undergone significant change over the past 18 months, with Peter Wood, the previous Non-Executive Chairman, Lawrie Haynes, the previous Chief Executive, Richard McCaffrey, the previous Chief Operating Officer, Denis Connery, the previous Commercial Director, and Robert Hartley, the previous Finance Director and Group Services Director, all leaving the Group. On 31 July 2009, the Company also announced that after 12 years as a Non-Executive Director, John Richardson has decided to retire from the Board. John has, as a consequence of the Restructuring, subsequently agreed to remain as a director of the Company until 31 January 2010 and will be seeking re-election at the next Annual General Meeting. The Board has initiated a search for two new Non-Executive Directors, one of whom will be appointed as Chairman of the Audit Committee following John Richardson's retirement.

Also during the past 18 months, Mike McTighe, Non-Executive Chairman, Paul Hamer, Chief Executive Officer, David Wilton, Group Finance Director, and Graham Olver, Group Services Director and Company Secretary, joined the Group. The Board believes that it now has a strong and focused Board. However, there remains a risk that these changes could result in disruptions to the business in the short term which could adversely affect the Group's business, financial condition and results of operations.

In addition, the loss of members of the senior management team and of other suitably qualified employees, or the inability to hire and retain suitably qualified replacements, both generally and in particular in connection with the Group's ongoing rationalisation and restructuring of its operations, could impair the Group's ability to execute its business plan and achieve its objectives, cause it to lose customers or lead to employee morale problems or the loss of other important employees, any of which could adversely affect the Group's business, financial condition and results of operations.

The Group is exposed to risks concerning the integration of previous acquisitions

Although White Young Green has not made any acquisitions in the last 18 months, unforeseen difficulties in the continuing integration of previous acquisitions could result in increased expense, loss of customers, decline in profitability and disruption of the Group. White Young Green seeks to manage this risk by applying an integration model to all acquisitions which addresses areas such as client management, Group-wide processes and controls, management of internal and external communications, staff consultation, contract novation, systems integration and management reporting. Notwithstanding these risk management actions, the Group remains at risk of difficulties, expense and disruption caused by unforeseen problems in integrating previous acquisitions, which could have an adverse effect on its business, financial condition and results of operations.

The Group is exposed to various risks concerning its financial, accounting, management and other information and support systems

The efficient operation and management of the Group (in whole or in part) depends on the proper operation and performance of financial, accounting, management and other information and support systems. Such systems are used to operate, control and report the performance of important business functions, such as order processing, order book monitoring, scheduling and managing of new and existing projects and work in progress, customer billing and various other financial and administrative functions. The Group attempts to mitigate any risks in this area by monitoring closely its systems and processes and, in particular, through the planned introduction of a new Group-wide business management system in the coming months.

Nonetheless, a significant performance failure of any such system could lead to loss of control over critical business information and / or operating and financial controls, resulting in an adverse impact on the ability of the Group to operate effectively, to fulfil its contractual obligations or to adequately control and monitor business performance. The impact of such failures may in turn lead to loss of customers or revenue and the incurring of significant consequential and remedial costs and may have a subsequent adverse effect on its business, financial condition and results of operations.

The Group is exposed to the risk that events or circumstances arise that cause further write down of goodwill or other assets

Under IFRS, goodwill and intangible assets with an indefinite life are not amortised but are subject to annual impairment tests or more frequent tests if there are indications that circumstances leading to a potential impairment may have arisen. It is also the Group's policy that the carrying value of other assets is reviewed on an ongoing basis. As announced on 30 October 2009, following a review of the carrying value of the Group's goodwill and other assets in light of deteriorating market conditions encountered during the year ended 30 June 2009, the Group recorded an exceptional impairment of goodwill of £77.2 million which relates predominantly to the goodwill of acquisitions made in the Republic of Ireland and the UK, and a further impairment of £20.5 million in relation to the carrying value of trade debtors and work-in-progress balances. To the extent that the current economic downturn worsens or other factors are discovered or encountered that affect the realisable value or value-in-use of the Group's assets which may not be in the Group's control, the Group may need to record additional impairment charges relating to its businesses and assets, and such charges, whilst not directly affecting the cash flows of the Group, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to the risk that it may be unable to recover receivables due from its customers or work-in-progress balances on time, in part or at all

The Group sells to substantially all of its customers on credit terms and therefore is dependent on the creditworthiness of its customers. Credit terms in the United Kingdom typically range from 30 to 60 days, while credit terms are typically significantly longer in the Group's overseas markets and can extend from six to 12 months. As a result of the economic downturn, some of the Group's customers, particularly in the sectors that have been most severely affected, have experienced financial difficulties and may continue to do so. The failure of, or default by, a significant customer or group of customers may result in the Group not receiving cash due from that receivable or those receivables, or the recoverability of work-in-progress balances related to those customers. This risk has been further exacerbated by current market conditions which have caused significant operational and financial difficulties for customers in a number of markets in which the Group operates and has led to challenging conditions in which the Group has sought to maintain and improve its cash receivables performance and work-in-progress recovery. In addition, the recent weakness in the Group's trading performance and the rumour and speculation created by the prolonged period of renegotiation of the Group's debt facilities with its banks, has had an adverse effect on customer sentiment and the time taken for the Group to recover receivables due from customers. The default of any payment by customers, whether altogether, in part or by late payment of monies owed, could negatively impact both the value of the Group's assets and its profitability and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to funding risks in relation to the WYD Pension Scheme and the WYG 1986 Pension Scheme

The Group has two defined benefit schemes (the WYD Pension Scheme and the White Young Consulting Group Limited Retirement Benefit Plan (1986) (the "**1986 Plan**")), both of which are closed to new members and closed to future accrual. The 1986 Plan is in the process of being wound up. The most recent formal actuarial valuation of the WYD Pension Scheme as at 1 July 2005 disclosed a deficit of £4.5 million on an ongoing basis. The combined IAS 19 deficit of the WYD Pension Scheme and the 1986 Plan is £4.1 million as at 30 June 2009. The outcome of future valuations of the WYD Pension Scheme will be dependent on various factors, including changes in market conditions and the performance of investments, on the actuarial assumptions adopted and changes to life expectancy. Further, as set out in paragraph 17 of Part VII of this Document, in the event that a Court was to determine that the Settlement Agreement (as defined in Part VII of this Document) is not binding, then White Young Green Engineering Limited could have a further potential funding liability to the 1986 Plan of between £3.5 million and £5.0 million. Future funding levels may therefore be subject to appropriate adjustment, and any increase in the Group's pension obligations could adversely affect its business, financial condition and results of operations.

The market price of the Ordinary Shares may fluctuate in response to a number of factors, many of which are outside the Group's control

The market price of the Ordinary Shares could be subject to fluctuations due to a change in sentiment in the market regarding the Ordinary Shares. Such fluctuations may depend on the market's perception of

the likelihood of completion of the Placing and the Restructuring as well as the impact of completion of the Restructuring and / or may occur in response to various facts or events, including, but not limited to: actual or anticipated fluctuations in the financial performance of the Group and its competitors; the operating and share price performance of other companies in the industry and markets in which the Group operates; speculation about the Group's business in the press, media or the investment community; changes to the Group's sales or profit estimates; the publication of research reports by analysts; strategic actions by competitors (including acquisitions and restructurings); regulatory changes; large sales or purchases of Ordinary Shares (or the perception that such transactions may occur); and general market conditions.

Stock markets have from time to time experienced, and have recently experienced, significant price and volume fluctuations that have affected the market prices of securities and which may be unrelated to the operating performance or prospects of the businesses to which those securities relate. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment and the supply and demand of capital. Any of these factors could result in a decline in the market price of the Ordinary Shares. White Young Green's share price may therefore fluctuate due to a wide range of factors, including the risk factors identified in this Document.

Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group, and the price at which investors may dispose of the Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others may be outside its control.

For all or any of the above reasons, the market price of the Ordinary Shares may go down as well as up. Investors may, therefore, not recover all or part of their original investment.

(c) General risk factors

The Group is exposed to changes in business and economic conditions

The Group is susceptible to an economic downturn, or a prolonged period of economic stagnation, within its major geographic markets, which include the UK, the Republic of Ireland and several countries within Central and Eastern Europe. Each of the economies in which the Group currently operates has suffered a period of recession or economic stagnation in recent times, which has had a significant effect on the Group's operating environment and financial performance.

Economic activity within these countries, and thereby the business environment and market conditions in which the Group operates, is dependent upon a number of factors that the Group cannot control, including, but not limited to, general economic conditions, interest rates, inflation, unemployment, demographic trends, government tax and spending programmes, the financial markets in general and the availability of credit.

The Group is also dependent on the level of activity within the white collar consulting markets, which in turn are affected by the construction and house building markets and the built-environment sector generally, the environmental market, and the transport, planning and engineering sectors. Each of the Group's markets has been affected adversely by the downturn in economic conditions, and by the resulting effects on levels of investment and expenditure in both the private and public sectors, particularly in infrastructure projects. Whilst the Group has undertaken an operational restructuring programme and adopted various cost reduction initiatives, the effects of the downturn, on market conditions in general and on the Group's white collar consulting markets in particular, have negatively impacted the Group's financial performance and position.

If there is any further economic decline, or a prolonged period of stagnation, there may be adverse effects on the Group's business, financial position and results of operations.

In particular, the Group is exposed to the direct and indirect effects of public sector investment and spending programmes. For the year ended 30 June 2009, approximately 64 per cent. of the Group's revenues were generated by public sector work. In addition, a proportion of the Group's private sector work is directly or indirectly linked to public investment programmes. The Group is susceptible to any changes in public sector spending and investment plans since these have a significant effect on the level of activity within the Group's markets. Any decision by governments to reduce or defer spending and investment that have a bearing on the Group's markets may create an adverse effect on its business, financial position and results of operations.

The Group is exposed to fluctuations in foreign exchange rates

The Group's reporting currency is sterling. The majority of its revenues are generated, and the majority of its costs are incurred, in sterling. However, the Group also generates a substantial portion of its revenue, and incurs a substantial portion of its costs, in Euros and a less significant proportion of its revenues and costs in various other foreign currencies, which reflects its substantial operations in Europe, in particular. For the year ended 30 June 2009, approximately 61 per cent. of the Group's revenue was generated in sterling, approximately 20 per cent. was generated in Euros and approximately 19 per cent. was generated in other foreign currencies. Furthermore, approximately 32 per cent. of the Group's borrowings and approximately 93 per cent. of the Group's bonding commitments are denominated in Euros.

The Group's principal currency translation exposure is to the Euro, because the results of operations, assets and liabilities of its European subsidiaries, in particular, must be translated into sterling to produce the Group's consolidated financial statements. The translation of the assets and liabilities of the Group's Euro-denominated subsidiaries at each balance sheet date results in the recognition of foreign exchange translation gains or losses depending on the exchange rates prevailing at each balance sheet date. The consolidated balance sheet of the Group is affected by (amongst other factors) movements in the sterling value of its net investments in its Euro-denominated operations and the sterling value of its Euro-denominated consolidated net debt. The consolidated profit and loss account is affected by the average exchange rates persisting over the relevant financial period, for the purposes of translating into sterling the Group's Euro-dominated revenues and costs. This could have significant consequences on the value of the Group's reported assets, liabilities and income, expenses and results of operations. For example, in testing the Group's compliance with its financial covenants, the Group's Euro-denominated debt is converted into sterling at the closing spot rate as at the last day of the relevant testing period, while its Euro-denominated EBITDA is converted to sterling at the average rate over the same period. Therefore, a significant movement in the Euro-sterling exchange rate towards the end of a covenant testing period, causing the average exchange rate for the period to differ substantially from the average rate during the period, may increase the risk of a breach of the net debt to EBITDA covenant contained in the Existing Facilities Agreement or the Restructured Facilities Agreement. A similar principle applies to the Company's other financial covenants under: (i) the Existing Facilities Agreement, being EBITA interest cover (which is a ratio of EBITA to net finance charges); and (ii) under the Restructured Facilities Agreement, being covenants measuring Net Leverage (which is a ratio of net borrowings, excluding bonding exposures, to EBITDA), EBITDA interest cover (which is a ratio of EBITDA to net finance charges), Cash Flow Cover (which is the ratio of Free Cash Flow to Debt Service payments), and capital expenditure (to the extent that capital expenditure is translated from Euros to sterling for the purposes of calculating a fixed amount denominated in sterling for the covenant test). However, assuming the Restructuring completes, the Company does not anticipate breaching these covenants within the next 12 months.

The Group is also subject to certain transactional currency exposures as a result of revenues generated and costs incurred by the Group in non-sterling currencies. Fluctuations in foreign exchange rates, which have recently experienced substantial variation, have affected and will continue to affect the value of the Group's assets and liabilities, and its revenues generated and operating costs incurred, which are denominated in currencies other than sterling, each of which could have a material adverse effect on the Group's business, financial condition and results of operations. The Group's foreign currency hedging strategies may not adequately protect its results of operations or balance sheet position from the effect of exchange rate fluctuations, which may result in losses or may limit any benefit that it might otherwise receive from favourable movements in exchange rates. Any significant adverse fluctuations in foreign exchange rates could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to fluctuations in interest rates

The Group is exposed to movements in interest rates, which can affect the amount of interest paid on borrowings and similar financial instruments such as bonding commitments and the return on cash investments. To the extent that the Group's existing or future borrowings and / or financial commitments are provided at variable interest rates and are unhedged or not hedged effectively, changes in interest rates may increase the Group's cost of borrowing, increase finance changes and reduce cash flows. Interest rates are highly sensitive to many factors, including international and domestic economic and political conditions, and other factors beyond the Group's control. Movements in interest rates could have a material adverse effect on the cost of any variable rate and / or unhedged borrowing exposure or

on the returns generated by the Group's investments, any of which could adversely affect the Group's business, financial condition and results of operations.

As at 30 June 2009, none of the Group's borrowings were hedged against the risk of interest rate fluctuations. However, it is the Group's intention to hedge a proportion of its borrowings in future. Nonetheless, the Group's interest rate hedging arrangements may not adequately protect it from the effect of interest rate fluctuations, may result in losses or may limit any benefit that it might otherwise receive from favourable movements in interest rates. Therefore, any adverse fluctuations in interest rates may have an adverse effect on the Group's business, financial position and results of operations.

The Group is exposed to potential changes in governmental legislation and / or regulations and / or potential changes in tax legislation

The Group has to comply with a range of laws and regulations, including those relating to environmental matters, health and safety, tax, labour and employment practices (including pensions) and competition. Compliance with these laws and regulations may impose significant compliance costs and restrictions on the Group's activities, as well as being an administrative burden, and any breach of such laws or regulations could result in the Group being subject to fines, legal claims or other penalties. In addition, new regulations governing such matters could result in a higher administrative burden for the Group in order to ensure compliance with laws and regulations, and could, over time, increase the Group's costs and materially adversely affect its business, reputation, financial condition and results of operations.

Action by the UK government, or by foreign governments, to increase tax rates or to impose additional taxes may reduce the profitability of the Group and have an adverse effect on its cash flows and financial conditions. Changes in existing laws or regulations, or their interpretation or enforcement, including tax legislation, could require the Group to incur additional costs in complying with those laws or regulations or require changes to its operations or accounting and reporting systems, which could materially adversely affect its business, financial condition and results of operations.

In addition, other unfavourable political, military or diplomatic developments that generate instability or uncertainty could affect demand for the Group's services and thereby could materially adversely affect its business, financial condition and results of operations.

PART III

SUMMARY OF THE RESTRUCTURING AGREEMENTS

Restructuring Agreements

The Restructuring Agreements comprise, *inter alia*, the Framework Agreement, the Debt Conversion Agreement, the Restructured Facilities Agreement, the Security Documents, the Investment Agreement, the New Articles, the Orderly Markets Comfort Letter and the New Share Incentive Plans (the key terms of which are summarised in Part IV of this Document).

The following is a summary of the material terms of the Restructuring Agreements (other than the New Share Incentive Plans):

1. Framework Agreement

On 8 December 2009, White Young Green and the other Obligors, entered into the Framework Agreement with the Lender Nominees, the Lenders, the Existing Agent, the New Agent, the New Security Trustee, the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust. The Framework Agreement provides for the implementation of the Restructuring, including, amongst other things:

- the execution of the Restructured Facilities Agreement, the Security Documents, the Debt Conversion Agreement, the Investment Agreement, the Working Capital Facility Agreements and the Orderly Markets Comfort Letter;
- the conditions subject to which (a) the Refinanced Lending Facilities shall become available under the New Facilities Agreement and the Working Capital Facility Agreements; and (b) the Debt Conversion Agreement, the Investment Agreement and the Orderly Markets Comfort Letter shall become effective;
- an undertaking from White Young Green to run the business of the Group in the ordinary course for the period ending on the earliest of (i) Completion (as defined in the Framework Agreement), (ii) the date on which the Framework Agreement is terminated, and (iii) 15 January 2010, being the Final Longstop Date;
- various warranties from White Young Green to the Lenders and the Lender Nominees regarding: (i) the accuracy of the documentation sent to Shareholders; (ii) the accuracy of statements made to the FSA, the London Stock Exchange and the Panel; (iii) the working capital report prepared in connection with the Restructuring; and (iv) the Share Incentive Schemes;
- warranties from the Related Party Directors to the Lenders and the Lender Nominees regarding the accuracy of information supplied to the Lenders;
- the mechanics for the completion of the Restructuring, including the conversion of the Existing Lending Facilities into the Refinanced Lending Facilities;
- the payment of the costs and expenses of the Lenders and other finance parties (including all advisory fees) by the various Group Companies; and
- the waiver or deferral of certain provisions of the Existing Facilities Agreement (as more particularly described in paragraph 1 of Part I of this Document).

Under the Framework Agreement, the completion of the Restructuring is conditional upon, and the Refinanced Lending Facilities and the Working Capital Facilities will not become available and the Debt Conversion Agreement, Security Documents, the Orderly Markets Comfort Letter and the Investment Agreement will only become effective upon, *inter alia*, the Restructuring Conditions Precedent (as set out below) having been fulfilled (or waived in writing).

The Restructuring Conditions Precedent are as follows:

- the obtaining of the approval of the Shareholders to the Restructuring Resolutions at the EGM;
- each of (1) the Company, (2) David Wilton and Paul Hamer and (3) Graham Olver and Mike McTighe providing a letter in the agreed form to the Lenders confirming that there is no material breach of any of the warranties given by them and which are set out in Schedule 6 of the Investment Agreement;
- confirmation from the Company that the fees incurred in connection with the Restructuring will not exceed the agreed limit; and
- the provision of the documentation and information set out at Part IB of Schedule 2 of the Restructured Facilities Agreement.

The Framework Agreement may be terminated by the Existing Agent if the Initial Conditions Precedent (as set out below) have not been fulfilled or waived by 5.00 p.m. on 11 December 2009, or if the Restructuring Conditions Precedent have not been satisfied (or waived) by 5.00 p.m. on 8 January 2010, or any of the Obligors fails to comply with any of the provisions of Schedule 5 of the Framework Agreement (Completion Mechanics), or if the conditions precedent to the utilisation for the Completion Utilisation Request (as defined in the Framework Agreement) are not fully satisfied as set out in Schedule 5 (Completion Mechanics), or if an Event of Default occurs (which has not been waived or remedied (if capable of remedy)) under the Existing Facilities Agreement, or if the Shareholders fail to pass all of the Restructuring Resolutions at the EGM, or if there is material breach of clauses 2.6 to 2.9 (inclusive) which provide for the execution of the documents detailed in the paragraph immediately above or of clause 2.11 (obligation on the part of Graham Olver, David Crichton-Miller and Mike McTighe not to buy or otherwise acquire any Shares or interest in Shares for a specified period of time) or of clause 6.2.4 (which contains an obligation to run the business of the Group in the ordinary course) of the Framework Agreement by the Obligors (as defined at paragraph 3 below), or any of the Related Party Directors or Related Party Managers (as the case may be) for so long as the same has not been remedied (if capable of remedy), or if there is any breach of any of the warranties contained in Schedule 6 of the Framework Agreement in circumstances where such breach is material in the context of the Restructuring by reference to facts and circumstances existing at that time, in any such case prior to 5.00 p.m. on 8 January 2010 (or such later time as the Existing Agent (as defined in the Framework Agreement) may notify to White Young Green) or Completion.

The Initial Conditions Precedent are as follows:

- the execution by the Company of each of the following:
  - the Debt Conversion Agreement;
  - the Restructured Facilities Agreement;
  - the Working Capital Facility Agreements;
  - the Security Documents;
  - the Investment Agreement; and
  - the Subordination Deed (as defined at paragraph 4(h) below);
- the execution by the relevant Obligors of each of the following:
  - the Restructured Facilities Agreement;
  - the Working Capital Facility Agreements to which they are a party;
  - the Security Documents; and
  - the Subordination Deed;
- the execution by the Related Party Directors and the Related Party Managers of the Investment Agreement:
- the execution of the Irrevocables by the Related Party Directors and Related Party Managers (other than Graham Olver, Mike McTighe and David Crichton-Miller);

- the execution by the New Employee Benefit Trust of:
  - the Debt Conversion Agreement; and
  - the Investment Agreement;
- the publication of the press announcement relating to the Circular in the agreed form through a Regulatory Information Service by no later that 9.00 a.m. on the Business Day immediately following the date on which the Framework Agreement is entered into;
- irrevocable, written and unconditional commitments in the agreed form having been obtained from each of the Independent Directors to vote in favour of all of the Resolutions;
- the approval by the Panel of the Circular and the grant by the Panel of a waiver of the obligation to make a general offer pursuant to Rule 9 of the Code and the consent of the Panel pursuant to Rule 16 of the Code, in each case as confirmed by Rothschild;
- the approval by the UKLA of the Circular and (i) the Circular being filed with the FSA in accordance with the Listing Rules by no later than 2.00 p.m. on the Business Day immediately following the date on which the Framework Agreement is entered into and (ii) posted to Shareholders by no later than 5.00 p.m. on the day immediately following the date on which the Framework Agreement is entered into; and
- the provision of the documentation and information set out at Part IA of Schedule 2 of the Restructured Facilities Agreement.

2. Debt Conversion Agreement

On 8 December 2009, White Young Green entered into the Debt Conversion Agreement with the Lenders, the Existing Agent (as defined in the Framework Agreement) and the trustee of the New Employee Benefit Trust. The Debt Conversion Agreement provides for the conversion of approximately £52.9 million (the ''**Conversion Amount**'') of debt currently outstanding under the Existing Facilities Agreement into New Ordinary Shares, ''A'' Preference Shares and ''B'' Preference Shares (the ''**Conversion Shares**'') (the ''**Conversion**'') and the allocation of the Conversion Shares between the Lender Nominees and the New Employee Benefit Trust.

Under the terms of the agreement each of the Lenders directs White Young Green to allot, and White Young Green agrees to allot, a proportion of the Conversion Shares to the New Employee Benefit Trust by way of a gift, and the remainder of the Conversion Shares to the Lender Nominees.

As consideration for the Conversion Shares so allocated, each Lender agrees to discharge White Young Green from its obligation to repay or pay (as applicable) the Conversion Amount (but not any other amounts).

The Debt Conversion Agreement will become effective and the Conversion will take place at the time specified in the Framework Agreement and, prior to that, the Lenders' obligation thereunder may be terminated on the terms provided for in the Framework Agreement.

3. Restructured Facilities Agreement

On 8 December 2009, White Young Green entered into the Restructured Facilities Agreement as a borrower with certain of its subsidiaries as borrowers and guarantors (the ''**Obligors**''), the Lenders, Lloyds TSB Bank plc, Fortis Bank, a *société anonyme* incorporated in Belgium and acting through its UK Branch (''Fortis Bank, UK Branch''), and The Royal Bank of Scotland plc as arrangers, Lloyds TSB Bank plc as agent and security trustee and Lloyds TSB Bank plc and Fortis Bank, UK Branch, as Issuing Banks. The Restructured Facilities Agreement provides for, amongst other things:

- the provision by the Lenders of a Term Loan Facility of £50.0 million to be used in the repayment of existing facilities provided by the Lenders (the ''**Term Loan Facility**''). This facility is to be made available to White Young Green only;
- the provision by the Lenders of Working Capital Facilities to certain of the Obligors, such ''**Working Capital Facilities**'' to comprise of:

  (a) a Euro-denominated bonding facility provided by Lloyds TSB Bank plc in the amount of €18.13 million to be made available to White Young Green and WYG International Limited (the ''**Lloyds Bonding Facility**'');

(b) a bonding facility with an aggregate limit of €19.87 million, split into:

  (i) a Polish Zloty-denominated bonding facility provided by Fortis Bank Polska S.A. in the amount of 15 million PLN (Polish Zloty) to be made available to WYG International SP, Z.O.O., PDSB SP, Z.O.O. and WYG Consulting SP, Z.O.O. (the "**Polish Obligors**") (the "**Fortis Polish Bonding Facility**"); and

  (ii) a Euro-denominated bonding facility provided by Fortis Bank, UK Branch, in the amount of the balance (of €19.87 million) to be made available to White Young Green and WYG International Limited (the "**Fortis Bonding Facility**");

(c) facilities with an aggregate limit of £8.25 million, split into:

  (i) a 2,500,000PLN overdraft facility to be provided by Fortis Bank Polska S.A. (the "**Fortis Overdraft Facility**") to be made available to the Polish Obligors;

  (ii) a €2,500,000 Multi-Option Facility to be provided by Fortis Bank, UK Branch, to be utilised by way of bonds and / or revolving credit facility (the "**Fortis Multi-Option Facility**") to be made available to White Young Green plc and WYG International Limited;

  (iii) a £2,000,000 revolving credit facility; and

  (iv) an overdraft facility to be provided by Lloyds TSB Bank plc in the amount of the balance (of £8.25 million) and denominated in sterling (to include a £160,000 negotiations / business card line facilities) (the "**Lloyds' Overdraft Facility**") to be made available to White Young Green, WYG Engineering Limited, WYG Environment Planning Transport Limited, WYG Management Services Limited and WYG Group Limited; and

(d) hedging facilities / arrangements to be entered into within 45 days of the date of the Restructured Facilities Agreement (the "**Hedging Facilities**"),

(together the Term Loan Facility and the Working Capital Facilities being the "**Facilities**");

- the availability of the Facilities is conditional upon the provision of the documentation and information set out at Part I of Schedule 2 of the Restructured Facilities Agreement. It is also conditional upon (i) in relation to any utilisation of the Facilities to be made on the date of Completion, there being no event of default under the Restructured Facilities Agreement and the representations given by the Obligors being true, save in the case of those events of default and representations considered to be immaterial where failure to comply with those representations or breach of those events of default would or could be reasonably expected to result or give rise to any liability or obligation on the part of the Obligors, any diminution or reduction in the value of the assets, the business or the rights of the Obligors or any diminution or reduction in potential recovery by the Lenders is, in aggregate, greater than £500,000 and (ii) in relation to any other utilisation, there being no event of default under the Restructured Facilities Agreement and certain representations given by the Obligors being true;
- the availability of the Facilities is further conditional on White Young Green complying with certain conditions subsequent following the date of Completion (all of which need to be satisfied by 31 March 2010 or earlier) in relation to, amongst other things (i) entering into the Hedging Facilities, (ii) providing a written business plan, (iii) amending the articles of association of its Polish subsidiaries WYG Consulting SP Z.O.O., WYG Consulting SP Z.O.O. and PDSBSP Z.O.O, (iv) WYG International SP Z.O.O. entering into a share pledge in favour of the Security Trustee in respect of the shares in WYG Consulting SP Z.O.O., (v) WYG Group Limited entering into a share charge in favour of the Security Trustee in respect of the shares in WYG Ireland Limited recently transferred to WYG Group Limited, (vi) providing the final signed version of the working capital report prepared by its auditors, (vii) providing a completion balance sheet assuming Completion has occurred, (viii) providing the audited financial statements for the financial years ending 30 June 2009, on or about 30 June 2008 and on or about 30 June 2007 of each of its subsidiaries party to the Restructured Facilities Agreement, (ix) providing the technical consultant's report by Myriad Consulting Limited in respect of the new information technology system standardising the

production of the Group's financial statements; (x) providing security in favour of the Security Trustee in respect of the shares in Deleeuw International Yonetim Danismanligi Ticaret Limited Sirketi ("Deleeuw") and a guarantee and subordination agreement from Deleeuw and (xi) obtaining and maintaining key man insurance;

- on 8 December 2009, the relevant companies in the Group and White Young Green entered into agreements in respect of each of the Lloyds' Bonding Facility, Fortis Bonding Facility, Fortis Polish Bonding Facility, Fortis Overdraft Facility, Fortis Multi-Option Facility and the Lloyds' Overdraft Facility to which they are a party, such agreements on the usual terms for the provision of such facilities, except as set out in the Restructured Facilities Agreement;
- a cross guarantee has been given by each of the Obligors for each other Obligor's obligations under the Restructured Facilities Agreement and related documentation;
- the Term Loan Facility has been split into:
  - (i) £35 million tranche A which has been made available at a margin of 5 per cent. per annum (above LIBOR plus the usual mandatory regulatory costs). This margin may be adjusted downward upon achievement of certain ratios of consolidated total net borrowings to consolidated EBITDA (such ratio tests being the "**Leverage Test**"); and
  - (ii) £15 million tranche B which has been made available at a margin of 5 per cent. per annum (above LIBOR plus the usual mandatory regulatory costs) which is cash payable, and a further 5 per cent. per annum which compounds on the loan and is payable on the earlier of the Termination Date and an early prepayment event.
- the Working Capital Facilities (other than the Hedging Facilities, the Fortis Bonding Facility, the Fortis Polish Bonding Facility and the Lloyds' Bonding Facility) have been made available at a margin of 2.5 per cent. per annum (above LIBOR plus the usual mandatory regulatory costs) together with the payment of a 2.5 per cent. commitment fee (whether drawn or undrawn) which is payable quarterly in arrears;
- the Fortis Bonding Facility, the Fortis Polish Bonding Facility and the Lloyds' Bonding Facility have been made available at a margin of 2.5 per cent. per annum in respect of existing bonds, and 5 per cent. per annum in respect of new bonds (in each case, above LIBOR plus the usual mandatory regulatory costs) together with the payment of a commitment fee on the available commitment which is payable quarterly in arrears calculated at a rate of 50 per cent. of the applicable margin;
- interest at a rate of 3 per cent. per annum above the highest margin payable (being 5 per cent. above LIBOR plus the usual mandatory regulatory costs) is payable immediately on demand of any overdue amounts;
- White Young Green is required to pay certain fees pursuant to the Restructured Facilities Agreement, including an arrangement fee of £2 million (the "**Arrangement Fee**") payable on 30 June 2011 (or earlier in accordance with the mandatory prepayment provisions, as set out below), a monitoring fee of £45,000 quarterly in arrears, an agency fee which is payable per annum together with an exit fee of 3 per cent. of the balance of the Term Loan Facility then outstanding which is payable at the end of the term (or earlier, if there is an early prepayment event);
- there are a number of events which would lead to a mandatory prepayment including, but not limited to, change of control or ownership of White Young Green, receipt of insurance, equity or disposal proceeds (subject to agreed carve outs) and where the financial statements of the Parent reveal excess cash flow, such prepayment to be applied firstly against the Arrangement Fee, then against the Term Loan Facility, then against the Working Capital Facilities (such proceeds being the "**Mandatory Prepayment Proceeds**");

- White Young Green may make an election to apply Mandatory Prepayment Proceeds as follows:
  - (i) where the Leverage Test is less than or equal to 2.5:1 but greater than 2.0:1, and once the Arrangement Fee is paid in full, White Young Green may elect to apply 50 per cent. of such Mandatory Prepayment Proceeds to the redemption of the Preference Shares; and
  - (ii) where the Leverage Test is less than or equal to 2.0:1, and once the Arrangement Fee is paid in full, White Young Green may elect to apply 100 per cent. of such Mandatory Prepayment Proceeds to the redemption of the Preference Shares (and thereafter as set out above).
- various representations have been given by the Obligors in respect of various aspects of their business and certain of the representations will be repeated at intervals during the term of the Facilities;
- various information, financial and general undertakings have been given by the Obligors including, but not limited to, undertakings restricting the creation of security, disposal of assets, further financial indebtedness, change of business, acquisitions, granting of guarantees, entry into derivative transactions and granting of loans, as well as financial covenants relating to interest cover, leverage, cash flow cover and capital expenditure; and
- events of default include, but are not limited to, non payment, breach of obligations, insolvency, cross default provisions, change of ownership and any event of circumstance which the Lenders reasonably believe has or is reasonably likely to have a material adverse effect on, amongst other things, the business or financial condition of the Group as a whole or the ability of any Obligor to perform its obligations under the Restructured Facilities Agreement or related documentation. Occurrence of an event of default entitles the Lenders to take various actions including declaring the Facilities to be on demand and enforcing their security under the Security Documents.

4. Security Documents

On 29 October 2009, White Young Green and its subsidiaries entered into the following security documents with Lloyds TSB Bank plc as security trustee (the "**Existing Security Trustee**") for and on behalf of each of Lloyds TSB Bank plc, the Royal Bank of Scotland, Fortis Bank, UK Branch and Fortis Bank Polska S.A. (together the "**Existing Lenders**"):

(a) English law debenture made between (1) White Young Green, WYG Group Limited, WYG Management Services Limited, WYG Environment Planning Transport Limited, WYG International Limited and WYG International Projects Limited (the "**UK Chargors**"); and (2) the Existing Security Trustee, pursuant to which the UK Chargors granted fixed and floating charges over all their assets for the benefit of the Existing Security Trustee (for and on behalf of each of the Existing Lenders) in respect of the liabilities owed to each of the Existing Lenders;

(b) Northern Irish law debenture made between (1) WYG Engineering (Northern Ireland) Limited, WYG Environmental and Planning (Northern Ireland) Limited and WYG Nolan Ryan Tweeds (Northern Ireland) Limited (the "**Northern Irish Chargors**"); and (2) the Existing Security Trustee, pursuant to which the Northern Irish Chargors granted fixed and floating charges over all their assets for the benefit of the Existing Security Trustee (for and on behalf of each of the Existing Lenders) in respect of the liabilities owed to each of the Existing Lenders; and

(c) Irish law debenture made between (1) WYG Ireland Limited, WYG Environmental and Planning (Ireland) Limited, WYG Nolan Ryan Tweeds Limited and WYG Engineering (Ireland) Limited (the "**Irish Chargors**"); and (2) the Existing Security Trustee, pursuant to which the Irish Chargors granted fixed and floating charges over all their assets for the benefit of the Existing Security Trustee (for and on behalf of each of the Existing Lenders) in respect of the liabilities owed to each of the Existing Lenders.

On 8 December 2009, White Young Green and certain of its subsidiaries entered into the following security documents with Lloyds TSB Bank plc as security trustee (for and on behalf of each of the Finance Parties (as defined in the Restructured Facilities Agreement)) (the "**Security Trustee**"):

(d) English law debenture made between (1) the UK Chargors; and (2) the Security Trustee, pursuant to which the UK Chargors granted fixed and floating charges over all their assets for the benefit of the Security Trustee in respect of the liabilities owed under the terms of the Restructured Facilities Agreement and related documentation;

(e) Northern Irish law debenture made between (1) the Northern Irish Chargors; and (2) the Security Trustee, pursuant to which the Northern Irish Chargors granted fixed and floating charges over all their assets for the benefit of the Security Trustee in respect of the liabilities owed under the terms of the Restructured Facilities Agreement and related documentation;

(f) Irish law debenture made between (1) the Irish Chargors and WYG Group Limited, and (2) the Security Trustee, pursuant to which the Irish Chargors and WYG Group Limited granted fixed and floating charges over all their assets for the benefit of the Security Trustee in respect of the liabilities owed under the terms of the Restructured Facilities Agreement and related documentation;

(g) Polish law pledge agreements and security assignment agreements between (1) the Polish Obligors; and (2) the Security Trustee, pursuant to which the Polish Chargors granted pledges and security assignments in relation to substantially all their assets for the benefit of the Security Trustee in respect of the liabilities owed under the terms of the Restructured Facilities Agreement and related documentation; and

(h) a deed of subordination between (1) White Young Green as parent, (2) the Obligors, (3) various other subsidiaries of White Young Green as subordinated creditors (the "**Subordinated Creditors**"), (4) Lloyds TSB Bank plc as agent and (5) the Security Trustee (hereafter the "**Subordination Deed**"), pursuant to which the Subordinated Creditors agreed to subordinate all their rights in relation to amounts owned to them from the Obligors behind the rights of the Finance Parties.

5. Investment Agreement

On 8 December 2009, White Young Green entered into the Investment Agreement with the Lender Nominees, the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust. The Investment Agreement, together with the New Articles, governs the behaviour of the parties after the completion of the Restructuring and, amongst other things, provides for:

- an undertaking from the Related Party Directors and Related Party Managers to White Young Green and the Lender Nominees to be bound by certain non-compete and restrictive covenant provisions for a certain period of time in the event that any of them ceases to be employed by the Group;
- undertakings from the Lender Nominees, the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust to each other not to transfer or otherwise dispose of any Post-Consolidation Ordinary Shares or any Preference Shares for a period of 12 months (in the case of a transfer or disposal by a Lender) or 24 months (in the case of transfer or disposal by a Related Party Director, a Related Party Manager or the trustee of the New Employee Benefit Trust) from the date of Completion (as defined in the Investment Agreement) (the "**Initial Period**"), other than in certain limited circumstances, including pursuant to a takeover offer for White Young Green;
- undertakings from the Lender Nominees, the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust to each other, once the Initial Period has expired and for so long as there are any Preference Shares that have not been redeemed, not to transfer or otherwise dispose of any Preference Shares, without first offering those Preference Shares to the other holders of that class of Preference Shares, other than in certain limited circumstances, including pursuant to a takeover offer for White Young Green;
- undertakings from the Lender Nominees to each other and to the Related Party Directors, the Related Party Managers and the trustee of the New Employee Benefit Trust not to transfer or otherwise dispose of any "A" Preference Shares if, as a result of that transfer or disposal the

buyer would be interested in more than 50 per cent. of the "A" Preference Shares then in issue, unless the buyer makes an offer on the same terms to purchase all of the Post-Consolidation Ordinary Shares and Preference Shares then in issue;

- a right for the holders of a majority in number of the "A" Preference Shares in issue at the relevant time to appoint two non-executive directors of White Young Green, and to nominate one of those persons as the Chairman of White Young Green together with a corresponding right to remove any such appointee and to appoint another person in their place. Mike McTighe shall be one of such non-executive directors and shall continue to hold the office of Chairman of White Young Green following Completion;
- a right for the holders of a majority in number of the "A" Preference Shares in issue at the relevant time to require White Young Green to procure the appointment of any such appointees as non-executive directors of, and one of them as Chairman of, any other Group Company;
- a right for each Lender Nominee to appoint an observer to attend, but not to vote at, board meetings of White Young Green;
- an obligation for White Young Green to pay to each of the Lender Nominees an annual index-linked monitoring fee of £25,000 (excluding VAT, if applicable);
- a right for any Lender Nominee from time-to-time holding 20 per cent. or more of the Post-Consolidation Ordinary Shares to receive detailed financial information about the affairs of the Group;
- the requirement for the consent of two members holding, in aggregate, at least 60 per cent. of the "A" Preference Shares to consent to the taking of certain actions, including:
  - (i) the proposal, declaration or payment of any dividend;
  - (ii) the entry into of certain contracts which are unusual or onerous or which are outside the normal course of business; and
  - (iii) the incurring of any borrowings or other indebtedness in the nature of borrowings (other than trade credit in the normal course of business).
- the requirement for two Members holding in aggregate at least 51 per cent. of the "A" Preference Shares to consent to the taking of certain actions, including:
  - (i) the appointment or removal of any director;
  - (ii) the making of any material change in the nature of its business; and
  - (iii) the approval of the annual budget or business plan.

6. New Articles of Association

Resolution 7, which must be approved by the Shareholders at the EGM in order for the Refinanced Lending Facilities to become available and the New Security, the Debt Conversion Agreement, and the Investment Agreement to become effective, relates to the adoption of the New Articles. The New Articles contain, *inter alia,* provisions to the following effect:

(a) *Share Classes*

The issued share capital of the Company comprises four classes of shares: Ordinary Shares, "A" Preference Shares, "B" Preference Shares and Deferred Shares. Prior to adoption of the New Articles the issued share capital of the Company comprised only ordinary shares. The rights attaching to the four classes of shares pursuant to the New Articles are as follows:

(i) *Voting Rights*

The holders of the Ordinary Shares have the right to receive notice of and to attend, speak and vote at any general meeting of the Company and on a poll to exercise one vote for each Ordinary Share held.

The holders of the Preference Shares are not entitled to vote on any resolution or to receive notice of, attend, speak or vote at any general meeting of the Company unless

the proposed resolution affects the rights of either class of the Preference Shares or is a resolution to wind up the Company.

The holders of the Deferred Shares are not entitled to vote on any resolution or to receive notice of, attend, speak or vote at any general meeting of the Company.

(ii) *Dividends*

The Company may not declare a dividend in favour of the holders of either the Ordinary Shares or the Preference Shares if the payment of such dividend would contravene the provisions of the Restructured Facilities Agreement or the Investment Agreement.

The holders of the Ordinary Shares are entitled to participate in the profits of the Company.

In the event that a dividend is declared in favour of the holders of the Ordinary Shares, the holders of the Preference Shares shall, without any recommendation or resolution of the Company in general meeting, be entitled to receive a cash dividend equal to one per cent. of the amount of the dividend declared in favour of the holders of the Ordinary Shares (the ''**Preference Dividend**''). The Company may not pay a dividend to the holders of the Ordinary Shares unless and until the Company has first paid the Preference Dividend to the holders of the Preference Shares.

The holders of the Deferred Shares are not entitled to participate in the profits of the Company.

Any dividend payable in respect of shares held jointly with the trustee of the New Employee Benefit Trust shall be payable to the trustee only and the trustee shall be solely responsible for the apportionment of such dividend(s) to the other joint holder(s).

(iii) *Redemption of the Preference Shares*

Subject to the terms of the Restructured Facilities Agreement, the Company shall have the right at any time, upon the giving of 30 days' prior written notice to the holders of the Preference Shares, to redeem either all or a minimum of 1,500,000 (or a multiple thereof) of the Preference Shares. In the event that the Company chooses to redeem the Preference Shares, the nominal value of such Preference Shares together with any Preference Dividend which is due and payable, shall be paid to the holders of the Preference Shares. The holders of the ''A'' Preference Shares shall, in addition, be entitled to a premium on the ''A'' Preference Shares redeemed (the ''**Redemption Premium**''). The Redemption Premium shall be applied in the relevant year in question and not, for the avoidance of doubt, on a cumulative basis, as set out below:

(i) 10 per cent. of the nominal value of the ''A'' Preference Shares in the event that the ''A'' Preference Shares are redeemed in either the first, second or third years, following adoption by the Company of the New Articles;

(ii) 30 per cent. of the nominal value of the ''A'' Preference Shares in the event that the ''A'' Preference Shares are redeemed in the fourth year following adoption by the Company of the New Articles; and

(iii) 50 per cent. of the nominal value of the ''A'' Preference Shares in the event that the ''A'' Preference Shares are redeemed in the fifth year and each year thereafter following adoption by the Company of the New Articles.

Any redemption of Preference Shares is to be done on a proportionate basis for all holders of Preference Shares.

(iv) *Return of Capital*

The New Articles contain provisions dealing with the rights attaching to the different classes of shares on a sale of the entire issued share capital of White Young Green and a liquidation, winding-up, dissolution or reduction of capital or otherwise of White Young Green.

On a sale of the entire issued share capital of White Young Green, the holders of the Preference Shares shall be entitled to receive, before any return to holders of Ordinary Shares or Deferred Shares, an amount equal to the nominal value of the Preference

Shares, any Preference Dividend which has become due and payable and, in the case of the ''A'' Preference Shares, the Redemption Premium. With the approval of at least two holders holding in aggregate at least 60 per cent. of the ''A'' Preference Shares then in issue, a lesser amount may be paid in respect of the ''A'' Preference Shares.

On a return of assets on a liquidation, winding-up, dissolution or reduction of capital or otherwise of the Company, the surplus assets of the Company remaining after payment of its liabilities are to be applied firstly in paying the holders of the Preference Shares an amount equal to the nominal value of such shares together with any Preference Dividends due and payable and, in respect of the ''A'' Preference Shares, the Redemption Premium. Thereafter the holders of the Ordinary Shares and the Deferred Shares are to receive an amount equal to the nominal value of such shares and finally the balance of the assets are to be distributed amongst the holders of the Ordinary Shares.

(v) *Appointment of Directors and Quorum for Board Meetings*

The holders of a majority of the ''A'' Preference Shares in issue from time to time are entitled to appoint and remove two non-executive directors named Investor Directors and to nominate one of those Investor Directors as the Chairman. Unless an Investor Director approves otherwise and, save in other limited circumstances, for such period as an Investor Director is appointed, in order to be quorate, a board meeting requires the presence of at least one of the Investor Directors.

(vi) *Deferred Shares*

The Company may at any time initiate a purchase of all the Deferred Shares from the holders of the Deferred Shares for not more than an aggregate sum of £0.01. The Company may, in such circumstances, direct that the transfer of such Deferred Shares is made to such person as the Company may direct to be the custodian of the Deferred Shares.

(vii) *Compulsory Transfer*

Subject to the holders of at least 51 per cent. of the ''A'' Preference Shares determining otherwise, the New Articles provide that any individual and related family member who is a holder of ''B'' Preference Shares and who ceases to be a Director, employee or consultant of any member of the Group, will be required to transfer such ''B'' Preference Shares. The price the holder receives for the ''B'' Preference Shares will vary depending on the circumstances in which the holder has ceased to be a Director, employee or consultant of any member of the Group.

(viii) *Companies Act 2006 changes*

The New Articles reflect the provisions of the 2006 Act which have now all been implemented with effect from 1 October 2009. The principal changes which have been reflected in the New Articles are:

(a) *Notice of General Meetings*

The current Articles provide that a general meeting can be called on 14 days' notice, except where a special resolution is proposed, in which case 21 days' notice is required. The New Articles provide for all general meetings other than the annual general meeting to be called on 14 clear days' notice.

(b) *Authorised Share Capital*

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

(c) *Redeemable Shares*

Following the final implementation of the 2006 Act, the Directors are able to determine the terms and manner in which the Company is to redeem its redeemable shares. The New Articles contain such an authorisation enabling the Directors to do so.

(d) *Extraordinary Resolutions*

The 2006 Act refers only to ordinary, special and written resolutions. The New Articles do not therefore contain any reference to extraordinary resolutions.

The Company has also taken the opportunity to bring clearer language into the New Articles and to conform the New Articles with the provisions of the 2006 Act which have now been implemented.

7. Orderly Markets Comfort Letter

Pursuant to the terms of the Orderly Markets Comfort Letter, each of the Lenders have agreed with the Company that, for a period of twelve months commencing on the first anniversary of Completion, they will, save in certain limited circumstances which include the disposal or transfer of Shares pursuant to a takeover offer for the Company (within the meaning of section 974 of the 2006 Act) (including the granting of an irrevocable undertaking to accept a takeover offer), conduct and procure that each Investor (as defined in the Investment Agreement) that is one of their subsidiary undertakings and / or nominees, conducts any transfer or disposal of Ordinary Shares in a manner and over a time period designed to minimise disruption in the price of the Ordinary Shares and shall consult with the Company prior to any such transfer or disposal.

PART IV

SUMMARY OF THE PRINCIPAL TERMS OF THE WHITE YOUNG GREEN JOINT SHARE OWNERSHIP PLAN 2009, THE WHITE YOUNG GREEN PERFORMANCE SHARE PLAN 2009 AND THE ONE-OFF AWARD

1. The White Young Green Joint Share Ownership Plan 2009 (''JSOP'')

Status of the JSOP

The JSOP will allow the Remuneration Committee to invite certain employees of the Company and any of its subsidiaries to acquire an interest in Ordinary Shares.

The JSOP is not approved by HMRC.

Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be invited to participate under the JSOP.

Invitations

The Remuneration Committee will have absolute discretion to select the persons who will be invited to participate under the JSOP.

Invitations to participate in the JSOP may be granted during the period of 42 days commencing on: (a) the date the JSOP is adopted by the Company; (b) the Dealing Day immediately following the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year; or (c) any other time fixed by the Remuneration Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the issue of invitations.

If the issue of an invitation on any of the above days would be prohibited by virtue of the AIM Rules or any statute or regulation or any order made pursuant to such statute, then such invitation may be issued during the period of 42 days commencing on the Dealing Day immediately following the time that such prohibition shall cease to have effect.

Structure of Awards – Joint Ownership

An award under the JSOP will take the form of a transfer of Ordinary Shares from the trustee of the New Employee Benefit Trust into joint ownership between the eligible employee and that same trustee. The transfer will be effected by a deed of transfer (''Deed of Transfer'') in substantially the form set out in a schedule to the rules of the JSOP to be entered into by the trustee and the eligible employee, provided that the eligible employee is still an employee of any company within the Group and is not prohibited from executing such Deed of Transfer at the time that he is to become a party to it by virtue of the AIM Rules.

The number of Ordinary Shares subject to the award shall, subject to the consent of the trustee, be determined by the Remuneration Committee.

The eligible employee and the trustee of the New Employee Benefit Trust concerned (''Joint Owners'') will hold the Ordinary Shares so transferred, jointly in undivided shares (as tenants in common) on, and subject to, the terms of the Deed of Transfer (more particularly described below).

No payment will be required from the eligible employee in return for entering into the Deed of Transfer.

Eligible employees will have a period of time determined by the Remuneration Committee and specified in the invitation issued to them (being not more than 10 days following the date of issue of the invitation) in which to enter into the Deed of Transfer.

Plan Limits

No invitation shall be issued to an eligible employee at any time if immediately following the issue of such invitation, the number of Ordinary Shares subject to the Deed of Transfer accompanying that invitation would, when aggregated with the number of Ordinary Shares originally subject to any other Deeds of Transfer entered into pursuant to the JSOP and the number of Ordinary Shares that are subject to the One-Off Award or to rights that have been granted under the White Young

Green Performance Share Plan 2009, exceed the number of Ordinary Shares comprised in the Initial Ordinary Share Issue.

Ordinary Shares which were the subject of any right (whether under the JSOP or otherwise) which has lapsed or been surrendered shall not count towards the limit described above.

The Company cannot issue Ordinary Shares to any eligible employee for the purpose of the JSOP and only Ordinary Shares held by the trustee of the New Employee Benefit Trust may be made subject to a Deed of Transfer.

Individual Limit

In general, each individual's participation is limited so that, in any one financial year of the Company, the aggregate market value of Ordinary Shares subject to all Deeds of Transfer (calculated as at the date of each such Deed of Transfer) entered into by the individual under the JSOP in that financial year, will not exceed 100 per cent. of the individual's basic salary at the date of grant.

The individual limit can be exceeded in circumstances which the Remuneration Committee considers to be exceptional.

The terms of the Deed of Transfer

Eligible Employee's Entitlement

Under a Deed of Transfer, the eligible employee participating will, in relation to each Ordinary Share jointly held, broadly be entitled to the growth in value of such Ordinary Share above a specified threshold (''Hurdle'') (although, in the event that there has been no such growth, the eligible employee's interest in each Ordinary Share will have a value that equates to £0.00001). To ensure that the value of the Hurdle is not diminished in real terms, the Hurdle will be increased over time by a fixed annual percentage amount (''Annual Percentage Rate''). The eligible employee's entitlement as described above (''Employee's Proportion'') will therefore change over time depending on the growth in the value of the Ordinary Shares and the Annual Percentage Rate being applied to the Hurdle.

Both the Hurdle and the Annual Percentage Rate will be determined by the Remuneration Committee at the time it issues the invitation relating to the Deed of Transfer concerned. The Hurdle cannot, however, be set at an amount that is less than the market value of the Ordinary Shares at the time that the invitation relating to the Deed of Transfer is issued.

In relation to the initial round of invitations made under the JSOP it is intended that the Hurdle will be set at an amount which is equal to the market value of an Ordinary Share as at the date that the invitations are issued and that the Annual Percentage Rate will be 5 per cent.

The trustee of the New Employee Benefit Trust, as the other Joint Owner (''Other Joint Owner'') shall, at any given moment in time, be entitled in respect of each Ordinary Share under the Deed of Transfer to the remaining value left in such Ordinary Share after taking account of the Employee's Proportion under that Deed of Transfer.

Performance Conditions

In relation to the initial invitations to participate offered to eligible employees under the JSOP, it is intended that no performance conditions shall apply which would need to be satisfied under the terms of each relevant Deed of Transfer as a condition to the eligible employee benefiting from the growth in value of the Ordinary Shares subject to such Deed of Transfer above the Hurdle. However, the Remuneration Committee shall have the flexibility to impose objective performance conditions in respect of future invitations.

Where a performance condition has been applied under the terms of the Deed of Transfer, if events occur which cause the Remuneration Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Remuneration Committee may (with the consent of the Other Joint Owner) waive or amend the original performance target in such manner as it deems fit, provided that such amended performance target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target, applying under a Deed of Transfer, may be measured over an abbreviated period less than the original period over which performance was to

be measured in circumstances where an employee ceases to be a Group employee before the end of the original performance period or certain corporate events occur (such as a change of control of the Company or the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group) before the end of the original performance period. In these circumstances such performance target may be modified in such manner as the Remuneration Committee thinks fit (with the consent of the Other Joint Owner) so as to be applied over such abbreviated period.

Sale of the Ordinary Shares

At any time after three years have elapsed from the date on which the Deed of Transfer was entered into, the eligible employee may serve a notice on the Other Joint Owner.

In the event that such notice is served, either:

- the Joint Owners shall agree to sell the Ordinary Shares subject to the Deed of Transfer and the eligible employee shall be entitled to the Employee's Proportion of the proceeds and the Other Joint Owner shall be entitled to the remainder; or, in the event that no such sale arises or the Joint Owners cannot agree the terms of such sale,
- the Joint Owners shall transfer (for nil consideration) to the eligible employee such number of Ordinary Shares subject to the Deed of Transfer to which they are party as have a market value equal to the market value of the eligible employee's interest in such Ordinary Shares immediately before the transfer and the Joint Owners shall transfer (for nil consideration) the remaining Ordinary Shares subject to the Deed of Transfer to the Other Joint Owner.

Voting

The exercisability of the voting rights attaching to the Ordinary Shares will depend on the relevant entitlement of the eligible employee and the Other Joint Owner from time to time. If the Employee's Proportion in relation to the Ordinary Shares subject to the Deed of Transfer is more than 50 per cent., then the eligible employee, who is party to that agreement, shall have the right to determine how the votes on such Ordinary Shares shall be cast by the Other Joint Owner.

In any other case, the Other Joint Owner will have the right to determine how votes are cast on those Ordinary Shares.

Dividends

The Joint Owners will together be entitled to receive the dividends (if any) declared on the Ordinary Shares subject to the Deed of Transfer. The proportion of any dividend payable per Ordinary Share to the eligible employee who is party to the Deed of Transfer will be equal to the Employee's Proportion at the time that the dividend is declared. The Other Joint Owner will be entitled to the remainder of such dividend.

Cessation of Employment

Cessation of employment due to injury, ill-health or disability (all evidenced to the satisfaction of the Remuneration Committee), due to retirement at the age of 65 or over, due to death or cessation of employment by reason of any other circumstances which the Remuneration Committee (having obtained Investor Consent) in its absolute discretion has determined should be a good leaver reason, are classed as ''Good Leaver Reasons''.

Under the Deed of Transfer, the eligible employee grants the Other Joint Owner party to that agreement an option to acquire that eligible employee's interest in the Ordinary Shares.

The option shall be capable of exercise when the eligible employee ceases to be an employee of any member of the Group at any time for a reason other than a Good Leaver Reason (but not in circumstances where the event causing cessation of employment is the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group).

The option shall also be capable of exercise in the event that the eligible employee attempts to assign, charge or transfer his interest in the Ordinary Shares.

Once the option has been exercised, the eligible employee (or his estate) shall be obliged to sell his interest in the Ordinary Shares to the Other Joint Owner. The consideration payable to the eligible employee (or his estate) for the transfer of such interest shall be equal to £0.00001 per Ordinary Share.

In the case of death of the eligible employee, the benefit of the joint ownership arrangement under the Deed of Transfer will enure to the benefit of the eligible employee's estate and his personal representatives will be bound by the terms of the Deed of Transfer.

Corporate Events

In the event that either or both of the Joint Owners under a Deed of Transfer become aware that:

- a takeover of the Company may occur;
- a sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group may occur;
- a scheme of arrangement under Part 26 of the 2006 Act may be sanctioned by the court; or
- a resolution is proposed for the voluntary winding up of the Company; or
- a demerger of the Company is being proposed (but in such case only at the discretion of the Remuneration Committee having obtained Investor Consent),

either Joint Owner may serve a written notice on the other. In the event that such notice is served, the Joint Owners shall transfer (for nil consideration) to the eligible employee such number of Ordinary Shares subject to the Deed of Transfer to which they are party as have a market value equal to the market value of the eligible employee's interest in such Ordinary Shares immediately before the transfer and the Joint Owners shall transfer (for nil consideration) the remaining Ordinary Shares subject to the Deed of Transfer to the Other Joint Owner.

On the occurrence of one of the specified corporate events, the transfer mentioned above shall occur immediately prior to but conditional on the event in question.

Internal reorganisations of the Group by way of the creation of a new holding company of the Company or the transfer of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group to an existing Group member, shall not give a Joint Owner a right to serve a notice (as described above) on the other Joint Owner.

Rights Issues and Other Allotments of Shares

In the event that notice is received from the Company of a rights issue, the Joint Owners agree under the Deed of Transfer to sell such rights (nil paid) so as to fund the acquisition of the balance of such rights.

In the event that notice is received from the Company of any other offer to allot further shares, the Joint Owners shall determine whether to accept such offer either in whole or in part. To the extent that the offer is accepted, the eligible employee shall fund such proportion of the subscription price for the further shares as is equal to the Employee's Proportion of the Ordinary Shares subject to the Deed of Transfer as at the date of acceptance and the Other Joint Owner shall fund the remainder. To the extent that the Joint Owners do not both agree to accept the offer of further shares, neither Joint Owner shall be able to accept the offer.

Any additional shares acquired pursuant to a rights issue or other offer shall be deemed to be held on and subject to the terms of the Deed of Transfer by the Joint Owners in accordance with the Employee's Proportion and the remaining proportion held by the Other Joint Owner.

Disputes

In the event of any dispute between the parties to the Deed of Transfer as to the interpretation of any provision of that agreement, the dispute shall be referred to the Remuneration Committee whose decision on such matters shall be final and binding on all parties.

Other Provisions under the JSOP

No transfer of Ordinary Shares pursuant to a Deed of Transfer may occur if such transfer of Ordinary Shares would be in breach of the AIM Rules.

Benefits obtained under the JSOP are not pensionable.

Administration and amendment

The JSOP is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the JSOP. The rules of the JSOP which relate to:

- the persons to whom Ordinary Shares are provided under the JSOP;
- the limits on the number of Ordinary Shares which may be issued under the JSOP;
- the maximum entitlement of any eligible employee;
- the basis for determining an eligible employee's entitlement to Ordinary Shares or an interest therein; and
- the basis for determining the adjustment thereof following any increase or variation in the share capital of the Company

cannot be amended to the advantage of any participant or potential participant under the JSOP without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the JSOP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any Group company.

Amendments may not be made to the JSOP or any schedule thereto unless Investor Consent is given to such amendment save where such amendment is a minor amendment to benefit the administration of the JSOP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any Group company.

Termination

The JSOP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further invitation can be issued under the JSOP after such termination. Termination shall not affect the outstanding rights of persons who have entered into Deeds of Transfer prior to such termination.

2. One-Off Award for Mike McTighe

The trustee of the New Employee Benefit Trust intends to enter into a one-off arrangement with Mike McTighe pursuant to which the trustee and Mike McTighe will enter into a Deed of Transfer which will contain the provisions as described above under the heading "The terms of the Deed of Transfer" in relation to the JSOP and under which:

- the number of Ordinary Shares subject to such Deed of Transfer will be such number as represents 2 per cent. of the Enlarged Issued Share Capital of the Company or, if less, such number of Ordinary Shares as have a market value of £250,000 at the time that Mike McTighe is invited to enter into the Deed of Transfer;
- the Hurdle and the Annual Percentage Rate will be set by the Remuneration Committee. It is intended that the Hurdle will be set at an amount which is equal to the market value of an Ordinary Share at the time that Mike McTighe is invited to enter into the Deed of Transfer and that the Annual Percentage Rate will be set at 5 per cent. per annum;
- no performance conditions will apply to the jointly held shares subject to the Deed of Transfer;
- the provisions described in relation to the JSOP under the headings "Sale of the Ordinary Shares", "Voting", "Dividends", "Corporate Events", "Rights Issues and Other Allotments of Shares" and "Disputes" will apply equally to Mike McTighe and the Ordinary Shares subject to the Deed of Transfer;
- the provisions described in relation to the JSOP which apply on cessation of employment will apply equally to Mike McTighe in the event that his directorship ceases so that if he ceases to be a director of the Company for any reason other than injury, ill-health or disability (all evidenced to the satisfaction of the Remuneration Committee), retirement at the age of 65 or over or death, or he so ceases in circumstances where the Remuneration Committee (having obtained Investor Consent) does not exercise its discretion to treat that cessation as a good leaver circumstance, the trustee shall be able to exercise its option to acquire Mike McTighe's

interest in the Ordinary Shares under the Deed of Transfer for a consideration equal to £0.00001 per Ordinary Share;

- the benefits obtained by Mike McTighe under the Deed of Transfer will not be pensionable;
- the terms of the Deed of Transfer which relate to the person who may benefit thereunder, the maximum entitlement of Mike McTighe, the basis for determining Mike McTighe's entitlement to the Ordinary Shares subject to such Deed of Transfer and the basis for determining the adjustment of Mike McTighe's entitlement under such Deed of Transfer cannot be amended to his advantage without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the Deed of Transfer, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Mike McTighe or any Group company; and
- amendments may not be made to the Deed of Transfer unless Investor Consent is given to such amendment save where such amendment is a minor amendment to benefit the administration of the Deed of Transfer, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Mike McTighe or any Group company.

3. The White Young Green Performance Share Plan 2009 (''PSP'')

Status of the PSP

The PSP will be operated in conjunction with the New Employee Benefit Trust.

Awards granted under the PSP (''Awards'') may take the form of:

- an option to acquire ''B'' Preference Shares for nil consideration; or
- an option to acquire Ordinary Shares for a consideration per Ordinary Share equal to the market value of such Ordinary Share at the time that the option is granted.

In any case, where any of the ''B'' Preference Shares subject to an Award have been redeemed before the Award has been exercised, its exercise shall be satisfied by the payment from the New Employee Benefit Trust to the Award holder of the redemption proceeds in respect of such number of ''B'' Preference Shares which have been so redeemed and over which the Award would have been capable of exercise, but for that redemption. Alternatively, the trustee of the New Employee Benefit Trust may (with the consent of the Remuneration Committee) satisfy such cash payment by the transfer of Ordinary Shares. In such case, the Ordinary Shares so transferred will have a market value as at the date of transfer equal to the redemption proceeds to which the Award holder would have been entitled on exercise of his Award.

Eligibility

All employees (including executive directors) of the Company and any of its subsidiaries may be granted Awards under the PSP.

Grant

The Remuneration Committee will have absolute discretion to select the persons to whom Awards may be granted and, subject to the limits set out below, in determining the number of ''B'' Preference Shares or Ordinary Shares to be subject to each Award. However, to the extent that any ''B'' Preference Shares or their redemption proceeds, as the case may be, become unencumbered by virtue of the lapse of any of the proposed Awards described in paragraph 7 of Part I of this Document due to the Award holder ceasing employment with any member of the Group, such ''B'' Preference Shares (or their proceeds of the redemption) shall, subject to Investor Consent, be used to grant Awards to the individual who is recruited to replace the departing Award holder.

Awards may be granted during the period of 42 days commencing on: (a) the date the PSP is adopted by the Company; (b) the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year; or (c) any other time fixed by the Remuneration Committee where, in its discretion, circumstances are considered to be exceptional so as to justify the grant of Awards.

If the grant of an Award on any of the above days would be prohibited by virtue of the AIM Rules or any statute or regulation or any order made pursuant to such statute, then such Award may be granted during the period of 42 days commencing on the Dealing Day immediately following the time that such prohibition shall cease to have effect.

No consideration is payable for the grant of an Award.

Plan Limits

No Awards which are structured as nil cost options to acquire ''B'' Preference Shares may be granted at any time if immediately following the grant of such Award the number of ''B Preference Shares subject to such Award would, when aggregated with the number of ''B'' Preference Shares originally made subject to any other nil cost option over ''B'' Preference Shares (ignoring any redemption thereof) granted pursuant to the PSP (whether exercised or not), exceed the number of ''B'' Preference Shares comprised in the Initial ''B'' Preference Share Issue.

No Awards which are structured as options to acquire Ordinary Shares may be granted at any time if immediately following the grant of such Award the number of Ordinary Shares subject to such Award would, when aggregated with the number of Ordinary Shares originally made subject to any other option to acquire Ordinary Shares granted pursuant to the PSP (whether exercised or not) and the number of Ordinary Shares subject to the One-Off Award or to any other rights granted under the White Young Green Joint Share Ownership Plan 2009, exceed the number of Ordinary Shares comprised in the Initial Ordinary Share Issue.

Ordinary Shares or ''B'' Preference Shares which were the subject of any right (whether under the PSP or otherwise) which has lapsed or been surrendered shall not count towards the limits described above.

Individual Limit

The Remuneration Committee will have absolute discretion as to the number of ''B'' Preference Shares that can be placed under an Award or Awards granted to any individual at any time. Accordingly, there will not be any individual limit on the number of ''B'' Preference Shares or Ordinary Shares that may be made subject to any Award made to any individual under the PSP.

It is intended that all of the ''B'' Preference Shares held by the New Employee Benefit Trust will be made subject to Awards to be granted to the Related Party Directors (other than Mike McTighe) and the Related Party Managers shortly after the Restructuring has occurred. To the extent that any such Award lapses due to the Award holder ceasing employment with any member of the Group, the Remuneration Committee intend to use the ''B'' Preference Shares (or their redemption proceeds as the case may be) which become unencumbered by virtue of such lapse to grant further Awards to the individual who is recruited to replace the departing Award holder. Any such further grants of Awards will require Investor Consent before being made.

In relation to Awards structured as options to acquire Ordinary Shares, in general, each individual's participation is limited so that, in any one financial year of the Company, the aggregate market value of Ordinary Shares subject to all such options granted in that financial year (calculated as at the date of grant of each of the option concerned) will not exceed 100 per cent. of the individual's basic salary at the date of grant.

The individual limit can be exceeded in circumstances which the Remuneration Committee considers to be exceptional.

Performance Target

The exercise of Awards granted under the PSP may be made conditional upon the achievement of an objective performance target set at the time of grant. If such a performance target is set, it shall be measured over a performance period (determined by the Remuneration Committee at the time of grant but which shall not be less than three years) (''Performance Period''). The Award will become capable of exercise following a date (''Vesting Date'') specified at the time of grant which, in the case where a performance target applies to such Award, will occur after the expiry of the relevant Performance Period. In any case, the Vesting Date for an Award may not occur before the third anniversary of the date of grant.

In relation to the initial grant of Awards under the PSP, it is intended that the ability to exercise such Awards shall not be conditional on the satisfaction of a performance target and that the Vesting Date shall be the third anniversary of the date of grant.

Where a performance target has been applied to an Award, if events occur which cause the Remuneration Committee reasonably to consider that a different or amended target would be a fairer measure of performance, the Remuneration Committee may waive or amend the original performance target in such manner as it deems fit provided that any such amended target is not materially more difficult to achieve than the original performance target.

It should also be noted that a performance target, applying to an Award, may be measured over an abbreviated period less than the Performance Period in circumstances where an employee ceases to be a Group employee before the end of the relevant Performance Period or certain corporate events occur (such as a change of control of the Company or the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group) before the end of the relevant Performance Period. In these circumstances such performance target may be modified in such manner as the Remuneration Committee thinks fit so as to be applied over such abbreviated period.

Dividends

Until an Award has been exercised and the relevant ''B'' Preference Shares or Ordinary Shares have been transferred to the Award holder, the Award holder shall have no entitlement to any dividends or other distributions payable by reference to a record date preceding the date of such transfer.

Exercise of Awards

Normally, an Award may only be exercised following the occurrence of the Vesting Date to the extent that any performance target applying to the Award has been satisfied and the participant is still an employee within the Group.

In any event, no Award is capable of exercise more than ten years after its date of grant and will lapse on the tenth anniversary of its date of grant.

Awards may not be exercised during any prohibited period specified by the AIM Rules.

In certain circumstances, Awards may be exercised earlier than the Vesting Date if the Award holder ceases to be an employee of the Group. In particular, Awards may be exercised for a period of six months after the Award holder ceases to be employed within the Group at any time by reason of injury, ill health or disability (evidenced to the satisfaction of the Remuneration Committee) or retirement on or after reaching the age of 65. In the event of cessation of employment of the Award holder by reason of his death, his personal representatives will be entitled to exercise the Award within twelve months following the date of his death. Where an Award holder ceases to be employed within the Group for any reason other than those previously mentioned and the event causing such cessation of employment is not the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group, his Awards will lapse on cessation of employment unless the Remuneration Committee (having obtained Investor Consent) permit the Awards to be exercised during a limited period following cessation of employment.

Exercise of Awards is also possible earlier than the Vesting Date in the event of a takeover, a scheme of arrangement under Part 26 of the 2006 Act being sanctioned by the court, the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group or the voluntary winding up of the Company. In the case of a takeover of the Company or the transfer out of the Group of the undertaking employing the Award holder concerned in the context of a sale of all or substantially all of the business and assets of the Group, the Remuneration Committee may allow the Award to be exercised immediately before, but with effect from, the takeover or the transfer of the undertaking concerned. In the event of a demerger of the Company being proposed, the Remuneration Committee may (having obtained Investor Consent) also permit Award holders to exercise their Awards conditional upon the demerger being effected. To the extent that Award holders are not permitted to exercise their Awards in the context of a demerger, the Awards may (with Investor Consent) be adjusted to take account of the demerger.

Internal reorganisations of the Group by way of the creation of a new holding company of the Company or the transfer of all or substantially all (i.e. greater than 50 per cent.) of the business and

assets of the Group to an existing Group member, shall not trigger the ability for Award holders to exercise their Awards provided that the Award holders are given the opportunity to exchange each of their Awards for an Award subject to equivalent terms but granted over shares in the new holding company.

In all of these circumstances allowing for early exercise of an Award prior to the Vesting Date, the Award may not be exercised unless (subject to any modification of the performance target in accordance with the rules of the PSP) the performance condition, if any, to which it is subject has been satisfied.

In relation to any Award under the PSP which is structured as a nil cost option to acquire ''B'' Preference Shares, in the case of cessation of employment of the Award holder prior to the Vesting Date of such Award, the maximum number of ''B'' Preference Shares in respect of which the Award is capable of exercise shall be pro-rated down on a time apportioned basis by reference to the time that has elapsed from the relevant date of grant to the cessation of employment.

Such pro-rating will not apply where the reason for the cessation of employment is the sale of all or substantially all (i.e. greater than 50 per cent.) of the business and assets of the Group or where the Award concerned has been structured as an option to acquire Ordinary Shares.

Other Award terms

The exercise of an Award granted under the PSP structured as a nil cost option to acquire ''B'' Preference Shares may be satisfied by the transfer of ''B'' Preference Shares held by the New Employee Benefit Trust or, where any of the ''B'' Preference Shares subject to such Award have been redeemed prior to its exercise, such exercise shall be satisfied by the redemption proceeds in respect of such number of ''B'' Preference Shares which have been so redeemed and over which the Award would have been capable of exercise but for that redemption. In circumstances where some, but not all, of the ''B'' Preference Shares subject to an Award structured as a nil cost option to acquire ''B'' Preference Shares have been redeemed prior to the exercise of the Award, the Award holder shall, on exercise of such Award, receive a mixture of the relevant redemption proceeds and ''B'' Preference Shares over which the Award is capable of exercise. In all cases where the exercise of an Award may be satisfied (either wholly or partly) by the payment to the Award holder of redemption proceeds of ''B'' Preference Shares, the trustee of the New Employee Benefit Trust may (with the consent of the Remuneration Committee), satisfy such cash payment by the transfer of Ordinary Shares. In such case, the Ordinary Shares so transferred will have a market value as at the time of transfer equal to the redemption proceeds to which Award holder would have been entitled on exercise of his Award.

The exercise of Awards structured as options to acquire Ordinary Shares may only be satisfied by the transfer of Ordinary Shares from the New Employee Benefit Trust or other employee benefit trust established by the Company.

The Awards will have no beneficial tax status.

Awards are not capable of transfer or assignment.

Until Awards are exercised, Award holders have no voting or other rights in relation to the ''B'' Preference Shares or Ordinary Shares (as the case may be) subject to those Awards.

''B'' Preference Shares and Ordinary Shares transferred on the exercise of an Award shall be transferred without the benefit of any rights attaching to the ''B'' Preference Shares or the relevant Ordinary Shares (as the case may be) by reference to a record date preceding the date of that exercise.

Benefits obtained under the PSP are not pensionable.

Adjustment of Awards

The number of ''B'' Preference Shares under Award and their nominal value (in the case of an Award structured as a nil cost option to acquire ''B'' Preference Shares) and the number of Ordinary Shares and/or their nominal value and / or the exercise price payable to acquire such Ordinary Shares under the Award (in the case of an Award structured as an option to acquire Ordinary Shares for a consideration per Ordinary Share equal to the market value of such Ordinary Share at the time it is granted) may be adjusted by the Remuneration Committee in the event of any capitalisation issue or rights issue, or rights offer or any other variation in the share capital of the

Company including (without limitation) any consolidation, subdivision or reduction of capital, in each case, relating to the relevant "B" Preference Shares or Ordinary Shares.

Administration and amendment

The PSP is administered by the Remuneration Committee. The Remuneration Committee may amend the provisions of the PSP. The rules of the PSP which relate to:

- the persons to whom "B" Preference Shares or Ordinary Shares are provided under the PSP;
- the limits on the number of "B" Preference Shares or Ordinary Shares which may be issued under the PSP;
- the maximum entitlement of any Award holder;
- the basis for determining an Award holder's entitlement to "B" Preference Shares, Ordinary Shares or Awards; and
- the basis for determining the adjustment of any Award granted under the PSP following any increase or variation in the share capital of the Company

cannot be amended to the advantage of any Award holder or potential Award holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the PSP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders or any Group company.

Amendments may not be made to the PSP unless Investor Consent is given to such amendment save where such amendment is a minor amendment to benefit the administration of the PSP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders or any Group company.

Termination

The PSP may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption so that no further Awards can be granted under the PSP after such termination. Termination shall not affect the outstanding rights of existing Award holders.

PART V

INFORMATION ON WHITE YOUNG GREEN

SECTION A – HISTORICAL FINANCIAL INFORMATION ON WHITE YOUNG GREEN

Incorporation of relevant information by reference

The information listed below relating to White Young Green is hereby incorporated by reference into this Document.

No.	Information	Source of information
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for White Young Green for the three years ended 30 June 2009	White Young Green's Annual Report 2009, Consolidated Income Statement on page 65. Please enter the web address below in your web browser to be brought to the relevant part of White Young Green's website for the 2009 Annual Report. http://www.wyg.com/2investors/pdf/annual_report_08_09.pdf White Young Green's Annual Report 2008 for the figures for the years ended 30 June 2008 and 30 June 2007, Consolidated Income Statement on page 50. Please enter the web address below in your web browser to be brought to the relevant part of White Young Green's website for the 2008 Annual Report. http://www.wyg.com/2investors/pdf/ar_08.pdf
2.	A statement of the assets and liabilities shown in the audited accounts for White Young Green for the year ended 30 June 2009	White Young Green's Annual Report 2009, Consolidated Balance Sheet on page 66. Please enter the web address below in your web browser to be brought to the relevant part of White Young Green's website for the 2009 Annual Report. http://www.wyg.com/2investors/pdf/annual_report_08_09.pdf
3.	A cash flow statement as provided in the audited accounts for White Young Green for the year ended 30 June 2009	White Young Green's Annual Report 2009, Consolidated Cash Flow Statement on page 67. Please enter the web address below in your web browser to be brought to the relevant part of White Young Green's website for the 2009 Annual Report. http://www.wyg.com/2investors/pdf/annual_report_08_09.pdf
4.	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	White Young Green's Annual Report 2009, notes to the Consolidated Financial Statement on pages 69 to 100. Please enter the web address below in your web browser to be brought to the relevant part of White Young Green's website for the 2009 Annual Report. http://www.wyg.com/2investors/pdf/annual_report_08_09.pdf

The results for White Young Green for the three years ended 30 June 2009, 30 June 2008 and 30 June 2007 are available free of charge on the White Young Green website at http://www.wyg.com/2investors/

reports.php. In addition, the information is available free of charge in printed format from White Young Green plc, Arndale Court, Headingley, Leeds LS6 2UJ (telephone: +44 (0)113 278 7111).

Information in relation to 1, 2, 3 and 4 above has not been published in an inflation adjusted form.

Other information on White Young Green

Section C of this Part V contains a business overview of White Young Green.

SECTION B – AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2009

The following is the full text of an announcement, regarding the Company's audited results for the year ended 30 June 2009, made via a Regulatory Information Service announcement on 30 October 2009.

Results for the year ended 30 June 2009 and proposed restructuring and covenant deferral

White Young Green plc, international multidisciplinary consultant, announces its results for the year ended 30 June 2009, together with the terms and conditions of its proposed restructuring.

Operational summary:

- Agreement in principle reached with lenders for a three year refinancing, subject to legal documentation and shareholder approval
- £12m profit before taxation, exceptional and other items
- Committed bond facilities for internationalising White Young Green plc
- Strengthened senior leadership team
- Good progress against implementing our three part strategy

Financial summary:

- Net revenue decreased by 8% to £213.9m (2008: £232.1m)
- Operating profit before exceptional and other items decreased by 36% to £17m (2008: £26.4m)
- Operating loss after exceptional and other items of £123.7m (2008: £22.2m profit)
- Exceptional and other items were £141m (2008: £4.2m)
- Profit before taxation and before exceptional and other items was £12.1m (2008: £21m)
- Reported loss before tax of £128.9m (2008: profit of £16.8m)
- No dividend payment in financial year
- Underlying earnings per share (before exceptional and other items) of 17.6p (2008: 31.6p)
- Reported loss per share of 246p (2008: earnings of 28.4p)
- Significant reduction in UK and Irish support services markets due to impact of global recession

* Exceptional and other items represent exceptional costs and the amortisation of acquired intangibles (customer relationships and order books).

Proposed restructuring:

The Company is pleased to announce the agreement of terms for a proposed capital restructuring which is subject to legal documentation and shareholder approval.

The proposed restructuring will provide the Group with a strengthened and sustainable long term capital structure enabling the Company to compete more effectively in the current challenging environment.

- The heads of terms for the proposed restructuring envisage the Banks converting approximately £50m of the debt owed to them into new ordinary shares and new preference shares in the Company. The balance of the monies owing to the Banks will be refinanced by the Banks into term debt facilities and working capital facilities, including €38m of committed bonding facilities, each with a three-year term.
- On completion of the restructuring, the lenders would own approximately 60.5% of the enlarged issued ordinary share capital, while a new employee benefit trust would own approximately 24.5% and existing shareholders approximately 15%.
- As part of the total reduction in borrowings of approximately £50m, the lenders will be issued £30m of preference shares for conversion of £30m of outstanding borrowings.
- The proposed restructuring would require shareholder approval at an extraordinary general meeting, with the lenders having agreed to defer testing of covenants until after the extraordinary general meeting, or 14 December 2009, whichever is the earlier.

- The purpose of the new employee benefit trust would be to hold shares for the purpose of incentivising directors, key managers and employees and to ensure that the interests of those key employees and shareholders are closely aligned.
- Once finalised, the precise details of the proposed restructuring will be set out in more detail in a circular, to be sent to shareholders in due course.
- The Directors currently intend, should the restructuring be approved by shareholders, to cancel the admission of the ordinary shares to the Official List and to trading on the London Stock Exchange's market for listed securities and to apply for admission of the ordinary shares to trading on AIM

Commenting on the results and proposed restructuring, Non Executive Chairman Mike McTighe, said:

"Trading conditions remain challenging, although there are variations across the differing markets served by the Group. There remains a lack of confidence and liquidity in many areas in which we trade, but there are also some encouraging signs in respect of opportunities and new contract wins.

We have reached a constructive outcome with the lenders and we are pleased with their long term support. Given current market conditions, we recognise that the proposed financial restructuring is designed to ensure the stability of the Company. We have restructured operationally to focus on areas of strength and opportunity to be well positioned to benefit when overall economic conditions improve. We are investing, and will continue to invest to provide a strong platform for the future.

With a new leadership team and a restructured balance sheet White Young Green will be putting in place fundamental building blocks to enable the Company to benefit from profitable opportunities at home and internationally, while continuing to take a prudent and cautious view of the market. It has been a very difficult year from which we emerge better prepared to meet the challenges and address the opportunities of the future."

For further information, please contact:

White Young Green plc — Tel: 0113 278 7111
Paul Hamer, Chief Executive Officer
David Wilton, Group Finance Director

Buchanan Communications — Tel: 020 7466 5000
Tim Anderson / Lisa Baderoon

Chairman's statement

We have been through profound change in the last 12 months which has seen the company restructure its finances, operations, processes and senior leadership team to ensure it is focused on building a sustainable, strong and resilient long-term business that is better positioned to face the opportunities and challenges ahead. All of this being undertaken against the backdrop of a global recession.

The support services sector has seen a major decline in valuations, driven by the dramatic reduction in demand for services across infrastructure, private and residential investment and major publicly funded schemes. We, like our peers, have been heavily impacted by this market decline. In particular, the Group's overexposure and reliance on certain markets in the Republic of Ireland and its diversified Great Britain Engineering offering has markedly affected trading.

In early 2009 we developed a new strategy for the Group which focuses on creating a more efficient business structure that is fit for purpose, internationalising White Young Green plc core capabilities, and creating 'peaks of excellence' across critical and sustainable sectors.

Significant progress has been made in implementing this strategy although there remains much still to be done to build a stable operating platform to deliver predictable and sustainable results for the future and create future value for our stakeholders.

To create a fit for purpose business, we continue to restructure our business operations and balance sheet. We have addressed legacy issues and have acted to strengthen the underlying business infrastructure. During this process we have incurred very significant exceptional costs relating to redundancies, office closures, the write down of work in progress and trade receivables balances, provisions for professional indemnity claims, professional fees, the impairment of goodwill, and other related costs.

I am delighted to report that we have now signed heads of terms with our Lenders regarding the terms of a three year financing facility. These heads of terms are not legally binding but have been approved by the

credit committee of each bank. The level of debt on the balance sheet would be reduced significantly and the Lenders would subscribe for new ordinary shares and new preference shares in White Young Green plc. The completion of the proposed restructuring is conditional, *inter alia*, upon execution of documentation satisfactory to White Young Green plc and its Lenders and on the approval of White Young Green plc's shareholders at an Extraordinary General Meeting. Upon completion of the refinancing the Lenders would in aggregate own approximately 60.5 per cent of the issued ordinary share capital of White Young Green plc and we expect to move the company's share listing to the Alternative Investment Market.

All of our stakeholders recognise the importance of our employees and as part of the refinancing, we propose introducing additional equity incentives for directors and key employees. The ongoing support of our lenders and shareholders is welcome and the Board is pleased to have agreed, in principle, a long term financing facility that would include committed bonding facilities to support our international operations and that is appropriate for the group as a whole.

During the year White Young Green plc has made progress in diversifying its geographical presence and has also broadened its international service offering into core technical areas of expertise including engineering, project management, and environmental and planning consultancy services. In the last 12 months, we have developed in countries where we already have a strong project based foothold and reputation with clients. The Company registered and opened a new office in Kazakhstan and plans for opening an office in Ukraine are underway. The Middle East and Africa continued to show good growth and a new office in Pretoria is planned to be followed by one in Cairo in the next 12-18 months.

Despite some challenging issues, our commitment to quality was recognised by the industry. White Young Green plc were awarded a RoSPA Occupational Health and Safety Gold Medal Award for 2009 and named Consultant of the Year in the Contract Journal Construction Industry Awards 2008. We have also picked up numerous accolades and project awards this year throughout the business including the Building Awards Housing Project of the Year (Adelaide Wharf), British Construction Industry Award (BCIA) Best Building Award (The Yellow Building) and Royal Institute of British Architects (RIBA) Award (Curve Theatre, Highcross, Pond Meadow, Yellow Building, Tyneside Cinema).

To strengthen the executive team during the financial year, the Board appointed David Wilton, Group Finance Director and Graham Olver, Group Services Director and Company Secretary. Lastly, I took over as Non Executive Chairman of White Young Green plc in August this year.

The Board has concluded that the company should change its name from White Young Green plc to WYG plc to align the name and branding of the company with the other companies in the Group. A resolution to approve the change of name will be put to shareholders at the AGM.

With a refreshed Board, a new senior executive team, and proposals for a restructured balance sheet, White Young Green plc is in the process of putting in place the fundamental building blocks for the future. It has been a very difficult year for your company. However, we are emerging from it better prepared to meet the challenges and opportunities of the future.

THE RESTRUCTURING

The Company has been in extensive discussions with its Banks and has considered various means of re-balancing its capital structure and reducing the Company's level of net borrowings. This follows a lengthy period of negotiations that started in February 2009, when we published our interim results for the six months to 31 December 2008 and announced a potential breach of a banking covenant. The proposed restructuring involves the conversion to equity of a significant proportion of the Group's bank borrowings together with refinanced three year committed borrowing facilities. The Board believes that this proposed debt to equity exchange and the borrowing facilities would provide a material strengthening of the Company's capital structure and financial position.

This proposed restructuring comprises the following outline terms:

- the proposed conversion of approximately £50m of the Group's indebtedness into new ordinary shares and new preference shares in the Company. In addition, the Company has agreement in principle with the lenders to put in place approximately £58m of refinanced debt facilities and €38m of committed bonding facilities, each with a three-year term.
- on completion of the restructuring, the lenders would own approximately 60.5% of the enlarged issued ordinary share capital, while a new employee benefit trust would own approximately 24.5% and existing shareholders approximately 15%.

- as part of the total reduction in borrowings of approximately £50m, the lenders will be issued £30m of preference shares for conversion of £30m of outstanding borrowings.
- the proposed restructuring would require shareholder approval at an extraordinary general meeting, with the lenders having agreed to defer testing of covenants until after the extraordinary general meeting, or 14 December 2009, whichever is the earlier.
- the purpose of the new employee benefit trust would be to provide share incentives for directors, key managers and employees.
- once financed, the precise details of the proposed restructuring will be set out in more detail in a circular, to be sent to shareholders in due course.
- the Directors intend, should the restructuring be approved by shareholders, to cancel the admission of the ordinary shares to the Official List and to trading on the London Stock Exchange's market for listed securities and to apply for admission of the ordinary shares to trading on AIM.

At the date of this announcement certain uncertainties exist which are disclosed in note 3 to the financial information.

BUSINESS REVIEW

The Business Review has been prepared by the Board for the members of White Young Green plc to provide a summary of the performance and financial position of the Group in the year to 30 June 2009, together with the underlying trends and factors which are likely to affect future performance.

The global economic recession has impacted many of our markets with the UK private sector and Republic of Ireland experiencing greatest downturn in demand. Investment in the private development sector has dropped sharply with many schemes cancelled or suspended and this is also mirrored across house-building infrastructure and land regeneration.

The imbalance of the Group's revenues between domestic and international markets has created severe trading impacts in Great Britain / Republic of Ireland and whilst swift management action has been taken to address this, we anticipate that some of the markets served will remain at depressed levels for the foreseeable future.

The year ended 30 June 2009 has been the most challenging in the history of White Young Green plc. We have implemented major changes to be fitter, stronger and better positioned to face the challenges ahead. Significant progress has been made in implementing our three-part forward strategy which is centred on creating a more focused and efficient business, internationalising our company and creating 'peaks of excellence' across critical and sustainable sectors. As previously announced, decisive action has been taken to re-structure our operations with significant reductions in headcount and the closure of offices as we concentrate on stronger, quality focused regional centres.

We have incurred substantial exceptional costs arising from the change programme and we continue to focus on working capital management and cash generation. Selective but necessary investment is being made in strengthening our management team and in information systems. Furthermore, improvements are being made to our governance framework.

Financial performance

In the year to 30 June 2009, gross revenue decreased by 7% to £261.6m (2008: £282.1m). Revenue attributable to third parties, on which we don't make a margin, decreased to £47.7m (2008: £50.0m). Net revenue, which reflects the value of work done by our people, decreased by 8% to £213.9m (2008: £232.1m).

The profit performance reflects both the challenging market conditions and the major restructuring of the Group. Operating profit before the amortisation of acquired intangibles and before exceptional costs (exceptional and other items), decreased by 36% to £17.0m (2008: £26.4m). There were no acquisitions completed during the year. Operating loss after exceptional and other items, was £123.7m (2008: £22.2m profit). Operating margin on net revenue was 7.9% (2008: 11.4%). The profit before taxation and exceptional and other items was £12.1m (2008: £21m) which is in line with the profit forecast announced in the Interim Management Statement on 18 May 2009. Exceptional and other items were £141.0m (2008: £4.2m).

It is worth noting that in the first half of the financial year the Group generated operating profit before exceptional and other items of £12.1m and the comparable figure for the second half of the financial year was £nil.

Basic earnings per share were 17.6p (2008: 31.6p) adjusted for exceptional and other items referred to above.

Cash generated from operations decreased to £12.5m (2008: £31.0m) and represents 74% (2008: 117%) of operating profit before exceptional and other items. In May 2009, we converted €38m of debt into Sterling to reduce exposure taken earlier in the financial year to Euro denominated debt.

Net debt at the year end was £85.3m (2008: £68.2m) which represented a significant reduction from the half year figure of £91.5m. The reduction in the second half is a creditable performance bearing in mind the payment of £3.1m of additional consideration in respect of the acquisition of PH McCarthy Consulting Engineers Limited and the payment of £7.6m of exceptional cash costs arising on the restructuring of the Group. These net debt figures are consistent with those previously disclosed and include both cash balances held within our captive insurance company and restricted cash balances held predominantly within the International Business Unit. The net debt excluding these two categories at the year end was £88.7m. The comparable figures for 30 June 2008 and 31 December 2008 were £71.6m and £94.4m respectively. We believe that the revised definition presents a fairer view of the net debt position as it only reflects cash that is readily available to the Group.

Our Board is encouraged by the prospects for the future against a market which continues to be unpredictable and, at times, volatile. The order book now stands at £260m. We have changed the way we record and monitor our order book such that the disclosed figure reflects only secured contracts and approved purchases under framework orders. Within the order book are international orders of €153m. Comparable figures prepared on the same basis are not available for the previous year.

Dividend

As we continue to focus on the generation and preservation of cash, no final dividend is proposed. No interim dividend was paid. The terms of the proposed refinancing include a restriction prohibiting the payment of a dividend whilst the facilities remain outstanding and until the preference shares are redeemed in full.

Strategy

Our three-part strategy, adopted in January 2009, is to create a more focused and efficient business, internationalise our company and create 'peaks of excellence' across critical and sustainable sectors. The first part of the strategy is to create a ''fit for purpose'' Group. This has involved right sizing the business against the changing marketplace and has been largely completed. We have undertaken a further review of the work in progress and trade receivable position and have taken a substantial exceptional charge in respect of a provision against these balances at the year end in addition to the provision taken at the half year. We have also taken swift and substantial measures to reduce costs. This process started in the first half of the financial year and has been substantially completed by the year end. These necessary steps will ensure we emerge from the current economic recession with a leaner and more competitive shape, which will provide a fundamental platform for future growth. All five of our Business Units and head office have been involved in this process, particularly the UK Engineering and Ireland Business Units. Across the Group there have been significant headcount reductions and office closures. There has also been a focus on cash management, the strengthening of the management teams and the introduction of new processes and procedures to strengthen the governance environment.

The second part of the strategy is to internationalise White Young Green plc and continue to build on our international business in five key geographic regions where we have established a strong position across growing and funded markets. Initiatives have been undertaken to mobilise our comprehensive strengths, which have historically been focused on the UK and Republic of Ireland, into selected overseas markets on a cost effective and low risk basis. These initiatives are ongoing and are predicated on building our existing relationships with major blue-chip clients.

The third part of the strategy is to focus on the creation of 'peaks of excellence' by identifying and building on core areas of strength in the UK and overseas, whilst instigating cultural change and the retrospective integration of past acquisitions. This part of the strategy is at a relatively early stage although the culture of focusing on quality is now firmly embedded into the Group.

Acquisitions

In the past White Young Green plc has been a highly acquisitive company. There were no acquisitions during this financial year, but there were payments of additional consideration in respect of past acquisitions, totalling £8.0m.

Board

There have been extensive changes at Board level during the year. Denis Connery, Commercial Director and Company Secretary, and Lawrie Haynes, Chief Executive, left the Group on 5 November 2008 and 6 January 2009 respectively. Following Lawrie Haynes' departure, Peter Wood, the then Chairman, agreed to increase his time in the business and Paul Hamer, previously Chief Operating Officer, was promoted to Group Managing Director. On 10 February 2009, David Wilton was appointed Group Finance Director and Robert Hartley, the previous Finance Director, took on the role of Group Services Director in addition to his role as Company Secretary. On 11 March 2009, we unfortunately had to announce that Peter Wood would be stepping down as Chairman, and as a member of the Board, for personal and family reasons on 31 March 2009. At that time Brian Duckworth was appointed Non Executive Chairman until the Board made a long term appointment in due course. Paul Hamer was promoted to Chief Executive Officer. At the same time, Robert Hartley notified the Board of his intention to resign as Group Services Director and Company Secretary and to leave the Group which he subsequently did on 14 April 2009, when David Wilton took on the role of Company Secretary.

On 31 July 2009 Mike McTighe's appointment as Chairman was announced, as was Graham Olver's appointment as Group Services Director and Company Secretary, with effect from 3 August 2009. Brian Duckworth stepped down as Chairman and left the Board on 3 August 2009. On 31 July 2009, the Company also announced that after 12 years as a Non Executive Director, John Richardson has decided to retire from the Board. John has, as a consequence of the proposed refinancing, subsequently agreed to remain as a director of the Company until 31 December 2009 and will be seeking re-election at the next Annual General Meeting. We thank Brian for his major contribution to the development of White Young Green plc. The Board has initiated a search for two new Non Executive Directors, one of whom will be appointed as Chairman of the Audit Committee.

Employees

We are a people business and our success is wholly dependent upon the commitment and professionalism of our staff. The financial year was marked by a significant reduction in headcount across the Group and the introduction of labour cost-saving arrangements in the face of the global economic recession. Difficult decisions have had to be taken in the interests of the Group, none of which have been taken lightly by the Board. We remain committed to the attraction, development and retention of professional staff to enable us to deliver high quality services into the markets in which we operate.

Exceptional and other items

As previously announced, we have incurred substantial exceptional costs in the financial year. These exceptional costs arose predominantly from the restructuring of the Group, and relate to redundancies and office closure costs, the write down of work in progress and trade receivables balances, provisions for professional indemnity claims, professional fees arising in connection with a prospective offer and fees arising on the refinancing and the impairment of goodwill and other general restructuring costs. A significant element of the overall exceptional cost involves the creation of provisions and does not represent an immediate cash cost, and in the case of the goodwill impairment will not incur a cash cost in the future. The other items relate to the amortisation of customer relationship and order book intangible assets. The exceptional and other items are summarised below:

	Year to 30 June 2009 £m
Employee termination costs	9.0
Office closure costs	20.6
Work in progress and trade receivables provisions	20.5
Professional indemnity claim provisions	5.7
Professional fees	3.4
Impairment of goodwill	77.2
Other restructuring costs	2.0
Finance costs	0.4
Exceptional items	138.8
Amortisation of acquired intangibles	2.2
Exceptional and other items	**141.0**

Outlook

Trading conditions remain unpredictable and challenging, although there are variations across the differing markets served by the Group. There remains a lack of confidence and liquidity in many areas in which we trade, but there are also some early encouraging signs in respect of opportunities and new contract wins.

Trading for the financial year to date is in line with the Board's expectations.

We have restructured to focus on areas of strength and opportunity to be well positioned to benefit when overall economic conditions improve. We are investing, and will continue to invest to provide a strong platform for the future.

Operating performance by Business Unit

The operating performance in the year to 30 June 2009 reflected both the challenging market conditions, particularly in the second half of the financial year, and also the profound restructuring process across the Group. Gross revenue decreased by 7% to £261.6m (2008: £282.1m). Conditions in the private sector have been challenging and there is likely to be strong pressure on public sector spending in the short to medium term. In direct contrast, our international markets continue to experience strong demand and present a major Group opportunity for selective and sustainable growth.

WYG Engineering

WYG Engineering has experienced recessionary pressure in several of its markets which has resulted in an overall reduction of gross and net revenues. Against this backdrop, the management team has acted swiftly in restructuring the Business Unit into a more efficient operation, configured to align with client demand. Greater emphasis has been placed on reducing debtors and aged debtor levels and making efficiency improvements to our working practices.

Over the year, gross revenue reduced by 20% to £76.2m (2008: £94.8m), net revenue reduced by 21% to £69.3m (2008: £88.2m) and operating profit before exceptional and other items reduced by 60% to £2.1m (2008: £5.3m). Operating margin on net revenue decreased to 3% (2008: 6%) as a result of the reduction in revenue noted above.

In line with the Group's three-part strategy, our focus has been on creating 'peaks of excellence' across critical and sustainable sectors where we have a strong reputation, good experience and there is evidence of continued spending. These are education, health care, defence, regeneration, rail and highways.

We have taken decisive action to create a more efficient and streamlined business that is aligned to the changing demands of the market and, at the beginning of the financial year, we carried out a pre-planned operational re-structuring to create three primary divisions, Buildings, Rail and Highways.

Our Buildings division continues to enjoy an award winning reputation in key regional centres across Great Britain which underpin and complement the high quality capability and reputation that is led by Adams Kara Taylor (AKT) in London. A combination of quality and innovation has resulted in AKT, a strategic acquisition made by White Young Green plc in 2006, becoming critical to the success of a truly enviable range of award winning and iconic structures. Demand for this service remains, albeit at reduced

volumes. Examples of our work include the Stirling Prize winner Peckham Library in London, the Phaeno Building in Germany, the Yellow Building in London and Pond Meadow in Guildford.

Across our other offices in Great Britain we continue to provide a high quality service and project delivery and to build our reputation for client care. We are recognised for this through award winning projects such as the Corby Rail Station Scheme which won the Institution of Highways and Transportation's Effective Partnership award.

Publicly funded development has also provided a sustainable income stream for us in health care, education and defence. NHS estates departments and local primary care have been significant sources of work particularly in acute hospitals. We have secured repeat and new business from this important sector through focus on client needs, delivery of service and deployment of key quality resources. We have developed long standing strategic corporate relationships, particularly with leading contractors, and have benefited from the Government's 'Building Schools for the Future' (BSF) initiative which has seen large scale investment. Key reputation enhancing projects were delivered in Nailsea, Nottingham and Burnley and further schemes have been won in Cheltenham and Essex BSF. Furthermore, we are supply chain partners in four teams for the second wave of the National Academies Framework.

White Young Green plc is ranked by leading industry journal, New Civil Engineer, as a top five consultant as defined by turnover in the defence sector. This is supported by an extremely diverse track record of skills and experience with the Navy, Army and RAF.

All this is in addition to projects secured with WYG Management Services which, as client adviser, complements our collective service offering. Although the location, mix and proportion of schemes will change as defence needs vary, we expect that investment in the estate will continue at or above current levels. In our Rail division, Network Rail's strategic business plan for 2007 set out ambitious levels of investment and growth. The implementation period was five years, and in 2008, it remained disappointingly slow with major opportunities slow to evolve into investigation and design stages. We are lead designer on a number of major projects including Edinburgh Waverley Station, Axminster, Tunbridge Wells, Edinburgh to Glasgow Improvement Programme (jointly with Transport for Scotland) and North London Lines. We are first tier suppliers on all of these significant schemes and, per National Rail's strategic business plan, we expect levels of spending to increase from January 2010 onwards.

Revenues in our Highways division have remained stable in the context of a reducing market. We expect the market to continue to soften but, due to the long term nature of our commissions, we do not anticipate any reduction in demand for our services.

In summary, the trading conditions across our markets have, and continue to be, mixed and challenging. However, WYG Engineering has created a platform for future success that should enable it to deliver sustainable profit and growth in future years.

WYG Environment Planning Transport

Our environmental, planning and transport planning activities were amalgamated in 2008 to form WYG Environment Planning Transport. These consulting services are largely focused on serving the early permission stages of site or project development. WYG Environment Planning Transport is one of the market leaders in the provision of these services and also provides one of the broadest ranges of services to this market.

Over the year, gross revenue decreased by 3% to £53.8m (2008: £55.3m), net revenue decreased by 1% to £45.6m (2008: £46m) and operating profit before exceptional and other items reduced by 20% to £6.3m (2008: £7.9m). Operating margin on net revenue fell to 14% (2008: 17%) largely as a result of low utilisation in those disciplines that experienced down turns in work.

We faced a challenging market environment, as the industry of site acquisition and development shrank in the face of credit shortages, falling demand for residential units and falling commercial rents. Despite these factors we have broadly maintained revenues and operating profitability while undertaking, in some specific areas, necessary restructuring.

The majority of our planning and environmental planning businesses have largely succeeded in maintaining revenues as we continue to work on longstanding client schemes and to enhance our position as one of the leading retail planning teams in the country; our transport planning revenues have grown during 2008/9 suggesting that we have gained market share of a falling market in this field. Some of our environmental consulting services – notably those linked to strict regulation and government penalty or

incentive regimes, such as asbestos management and renewable energy, have also experienced considerable growth during the year.

Nearly 50% of our environmental work in 2007 / 08 related to the clean-up of brownfield land. This sector has experienced a reduction in fee income as instructions on new sites dried up in the second half of 08 / 09 and as site owners deferred clean up programmes. We have significantly reduced our headcount and introduced flexible working to align our resources and costs to the future demand for our services.

- **Environment**

In Environment we have had a difficult and uneven year with volatile and unpredictable market conditions. However, our wide range of services and clients reduced the impact of the downturn across many parts of the business. Costs have been minimized and support services rationalized in order to maximize profitability.

In some disciplines, such as ecology, asbestos, noise and air, the order book has held up well and we consider that we have gained market share of consulting revenues from the competition. Other disciplines, which are heavily dependent on construction, such as geo-environmental services, have been restructured accordingly to manage a decreasing workload and, in addition to reduction in work volumes, pricing and profit margins have been affected. Against this backdrop, there appear to be signs for optimism; with visible pipelines in certain sectors and some large geo-environmental opportunities on the horizon.

With a new and efficient business structure, we are ready to respond in areas where the market recovers quickest, including investing in sustainability services which brings together a strong team to build on our current track record. We believe that this sector will grow steadily despite any recessionary focus in the wider economy, due to the rising regulatory burden concerning carbon and other aspects of climate change.

- **Planning**

Against a very challenging economic background, WYG Planning & Design achieved a marginal increase in business compared with 2008. Profitability was, however, reduced as a result of recognising and writing down trade debtor balances and work in progress. The order book is down on 12 months ago but still stands at 80% of budgeted net revenues.

Our business has held up strongly in key sectors, notably retail, regeneration and public sector services. We continue to provide advice to retail developers on major schemes across the country. As regards public sector work, we have undertaken key projects for the Department for Communities and Local Government, providing research into and advising on improvements to the planning system; we have continued to provide support for many local authority clients in policy making, development control and master-planning. We provide services under a number of public sector framework agreements to central government in England and Wales and to the Regional Development Agencies. Towards the year end, the house building sector was beginning to show signs of recovery and our widely diversified portfolio of business activity has also held us in good stead with continuing demand for services in the health care, education, minerals, energy and private client sectors.

In line with the three-part strategy of creating a fit for purpose business, we made a limited number of redundancies mainly in our design teams, although our team in Milton Keynes, newly-established at the start of the year, has created a momentum which appears to bode well for the year ahead.

A growing feature of our business is the value to clients of being able to package a stream of specialist skills in support of development proposals so as to improve streamline delivery and coordinate management of project inputs.

- **Transport**

During the year, orders and workload have remained steady although at a lower level than experienced in the previous year and the management team has taken speedy action to reduce costs through a small number of redundancies and removing non business critical expenditure.

Demand from certain key clients has remained strong during the recession including Sainsburys, Land Securities and National Grid Property. Public Sector bodies including county councils, district councils and the Highways Agency also continue to supply a steady flow of work.

As part of our strategy and in support of our existing client-base, a new transport planning operation was established in Edinburgh and this has a growing workload with a positive order book and provides advice for all Sainsbury's projects in Scotland.

Elsewhere in the UK, we continue to be appointed to advise major land owners and developers on strategic, sustainable urban extensions. We have been appointed by Land Securities as strategic transport advisers on their proposals for between 10,000 and 20,000 residential units at North Harlow. In Rugby, we have been appointed by a joint venture of BT, Arriva and Prologic to advise on development of a sustainable urban extension of over 6,000 residential units.

We have also been appointed by BT to advise on their site search for wind farm projects. Furthermore, we have advised McLaren on their proposals for a new production car factory of some 37,000 sqm in Woking.

On the international front, transport planning has made a senior appointment to service transport related work being commissioned by the European Commission. This is already bearing fruit with proposals submitted for a number of major projects and involvement of UK towns in demonstration schemes. We have also significantly enhanced our links with WYG International offices in Poland, the Gulf and Turkey.

Overall and against a mixed trading landscape, WYG Environment Planning Transport has continued to perform in its key markets and streamlined its wider operation to ensure it continues to provide a high-quality, value-added service to its clients in an efficient and effective manner.

WYG Management Services

WYG Management Services is the project management, property management, cost consultancy and safety management division of the Group. We are known to our clients through three brands; WYG Management Services, Tweeds and Trench Farrow. The utilisation of these well established and highly regarded brands in the market has proved a successful strategy in the face of the challenging trading conditions.

Over the year, gross revenue decreased by 18% to £28.5m (2008: £34.6m), net revenue decreased by 20% to £24.3m (2008: £30.4m) and operating profit before exceptional and other items reduced by 24% to £3.2m (2008: £4.2m). Operating margin on net revenue fell to 13% (2008: 14%).

Market sectors and trading conditions continue to vary across our client base with cost consultancy most exposed to the challenging economic cycle and the downturn in commercial and residential development. This has seen the proportion of revenue generated from the public sector increase to 64% from 46% last year. Whilst the proportion of our public sector turnover has increased in response to market conditions, we have been successful in transferring this additional workload to improve the balance in offices more dependent on private sector clients. Our forward strategy is to retain our private sector capability which is vital for when the market cycle returns to support this client base. Furthermore, much of our public sector projects are in support of estate rationalisation and development driving cost savings for Government. We are therefore less exposed to possible cuts in public spending as much of the work is in committed programmes to deliver savings in budget.

In line with the three part strategy to create a fit for purpose business, we have introduced flexible working arrangements and implemented redundancies in areas where we are experiencing a slow order book and have rationalized our operating centres to retain critical mass in key office locations which match client demand. We have also successfully transferred work previously undertaken by third parties to our in-house teams and allocated employees to sectors that continue to show solid demand. This puts us in the best position to retain skilled employees, ready for the upturn in key sectors such as commercial and residential development.

We have retained an involvement, albeit with a reduced input, in many of our major residential urban extension projects. It is pleasing to note that many of our residential development clients are now looking to re-engage on projects that have been delayed by market pressure over the last twelve months. We remain very active in the social and affordable housing market as many stock transfer and Residential Social Landlord projects have been unaffected by market downturn. We also continue to be successful in the Education sector having secured frameworks with Partnerships for Schools and directly with Local Education Authorities.

Whilst the corporate and end user office market remains slow, we have been appointed on re-planning projects as our existing clients look to make the most efficient use of their real estate. Some of the larger

mixed use development schemes have been delayed in the current market; however we continue to work with these clients who are using our services to secure the most effective solution to their portfolio. In the North West of England we are working closely with Neptune Developments and have ongoing appointment as Employers Agent, Quantity Surveyor and Construction Design Management (CDM) for the Mann Island and New Brighton Developments in Liverpool.

WYG Management Services is a high quality, high value provider of client support and advisory services with much of our historic and recent workload generated through repeat business based on referral, reputation and long term client relationships. During the course of the year we secured a number of awards including the British Council of Offices for the redevelopment of 55 Baker Street for London and Regional Developments, whilst the Mountbatten Project at the University of Southampton secured a Royal Institute of British Architects award. Our understanding of innovative procurement in challenging circumstances was proved in the delivery of the Mountbatten Project. The redevelopment of the complex followed a devastating fire and created cutting edge research facilities for computer and opto-electronic schools. The University was an existing client and valued our forward thinking procurement proposals so much that our appointment was extended to include the installation and commissioning of the specialist research equipment. This expertise will stand us in good stead for the future.

We are building on this award winning track record to secure further business in new sectors and overseas markets to counteract the downturn in some of our clients' activities in the UK. This focus has resulted in increased activity overseas, as we look to build on existing WYG International presence in Poland, Russia and Turkey. In addition we are actively targeting the Middle East and North Africa having provided executive project management services for the £300m retail and leisure development of Cairo Festival City in Egypt. Furthermore, we continue to support Interhealth Canada and the Government of Turks & Caicos Islands in the development of two modern $80m hospitals on the islands of Grand Turk and Providenciales. These hospitals will become the basis of a full health care service where we are providing independent adviser services during construction and commissioning. Our direct invitation to be involved on this project followed the successful completion of an orthopaedic hospital for Interhealth Canada in Runcorn.

As a result of our planned diversification into new sectors, we have also been successful in our appointment to provide construction safety management services for the £1.25bn PFI project to widen the M25 motorway.

WYG Management Services continues to sustain and secure work across its key markets and through its ongoing reputation for high-quality services, will look to build on its position in the public sector and align itself for the private sector upturn.

WYG Ireland

The Irish economy has seen a severe and continued decline across all construction, development and infrastructure sectors over the last 12 months which has impacted WYG Ireland and the wider support services market.

Ernst & Young's Economic Eye Forecast (May 2009) predicts that the economy in the Republic of Ireland will shrink by 8.9% in 2009 with a modest contraction continuing into 2010 before a recovery in 2011.

Over the year, gross revenue decreased by 3% to £50.3m (2008: £52m), net revenue decreased by 8% to £43.1m (2008: £46.7m) and operating profit before exceptional and other items reduced by 45% to £3.8m (2008: £6.9m). Operating margin on net revenue fell to 9% (2008: 15%).

The impact of global recession on Northern Ireland's economy is not expected to be as severe as in the Republic of Ireland or indeed the rest of the UK. Predictions are that the local economy will decline by 2.9% in 2009 – comparing favourably with other areas of the UK, where it is expected to be in the region of 3.5%.

In addition, employment levels in the Republic of Ireland will not return to their peak period (2007) until the year 2021 compared to 2018 for a similar recovery in Northern Ireland. This means for many people throughout the whole of Ireland, the recession will have a significant impact on many individuals.

WYG Ireland has seen a decline in its revenues and profitability. During this period the management team has taken the necessary restructuring steps to ensure the cost base is in line with the current needs of the business and resource levels are aligned to the present and future anticipated workload.

During the course of the year we initiated a programme to reduce our cost base to reflect the market conditions with every facet of the business scrutinised.

This strident action required us to make some very tough decisions, particularly regarding employees, where we have reduced our total headcount by almost a third on the previous year. We also engaged in a rationalisation of our operational properties and this led to the closure of five offices.

These steps have been taken to ensure the business remains competitive during the recession and quickly capitalises on opportunities when the markets return to growth.

Within WYG Ireland, we have aligned ourselves very closely with the Group's three-part strategy which seeks to re-shape the business. In July 2008, we entered a new phase in our evolution with the introduction of an all Ireland discipline-led business model. This model supports our strategy of having technical excellence at the core of everything we do. We are now committed to working together to truly deliver a multi-discipline service to meet the needs of our existing and future clients.

Following the introduction of White Young Green plc's internationalising initiative, we have appointed an international director for Ireland and currently act as the Group sponsor for Poland. More recently, Ray Moore, the managing director of WYG Ireland has been appointed as the group lead on the Gulf region. We have already placed a number of people from our business overseas and we will look to win contracts in those areas as well as establishing ourselves further in the countries in which we already have a presence.

Like most businesses throughout Ireland, the global recession has had an impact on us. However, we are continuing to hold our own, particularly in Northern Ireland thanks to a number of recent contract wins, including an appointment for our project managers from the Northern Ireland Prison Service to manage the design and building programme of a new £200m 800-cell prison at the existing Magilligan site in Co. Londonderry. We have also secured some key projects in areas such as health and education – namely the redevelopment of Whiteabbey hospital in Co. Antrim and more recently, a major contract to provide civil and structural engineering and environmental consultancy services for the new £150m Desertcreat Training College near Cookstown.

There have also been some encouraging developments in the Republic of Ireland with the appointment of our mechanical and engineering, fire and sustainability consultants on the €350m redevelopment of the Electricity Supply Board headquarters in Dublin. Our environmental and planning team in Ireland continues to provide many sought after services. Statutory process requires environmental issues to become a core consideration for both development and operational businesses. As a result, there has been a strong retention of market interest in our services, particularly in environmental management systems and also due diligence services. Sustainability is a key pillar in development principles in Ireland and we are supporting our clients in addressing the challenges that they face in this area as well as influencing national approaches to the sustainability agenda. Notable project wins for the Environmental and Planning team this year have included the groundwater monitoring programme for the Environment Protection Agency, continued services on the Envirowise Programme, the regeneration of the former Maze Prison and Long Kesh security site, Co. Antrim, and a planning application including an Environmental Impact Statement for a 350 MW Powerplant for Lumcloon Energy, Ferbane, Co. Offaly.

It has been a challenging year for the entire Irish economy and within that context, WYG Ireland has re-shaped itself significantly to meet the challenges ahead. The business is built on the quality of its people and it is this key factor which will create future success when the economy returns to growth.

WYG International

WYG International provides social and economic regeneration consultancy together with the core technical skills of Engineering, Management Services and Environment, Planning and Transport. The Business Unit generated 20% of the gross revenue of the Group (2008: 16%).

Over the year, gross revenue increased by 16% to £52.8m (2008: £45.5m), net revenue increased by 52% to £31.7m (2008: £20.8m) but operating profit before exceptionals and other items reduced to £1.5m (2008: £2.1m). Operating margin on net revenue fell to 5% (2008: 10%) as we retained resource to ensure we were in the best possible position following transitions in Poland, Romania and Bulgaria. These transitions have now been successfully completed.

Our international order book has continued to grow in the year and now stands at £86m. New appointments in this period have included a migration project in Turkey, developing the economy in

Serbia and a significant £8.3m project to improve the living conditions and rights of populations across Africa, the Caribbean and Pacific areas through management of migration.

We also prepared over the year for our move to a new Group regional structure which we implemented on 1 July 2009. In seeking to grow the international work of the Group significantly over the next few years we are focusing on our core areas of strength in Central and Eastern Europe, the Balkans and the Commonwealth of Independent States: and putting investment into accelerating our growth in the Middle East and Africa and in the Gulf.

Central and Eastern Europe

In Poland, diversification was a core requirement in response to a changing investment environment as the country mobilised EU Structural Funds to combat the economic downturn. As a result, we restructured the business to provide a more effective response to public and private sector clients in both the socio-economic and technical services sectors. This resulted in over 350 contract wins, with a total fee value of more than €21m.

Regionalisation was another important theme and business challenge. In a number of projects ''Investment in People'' advisory and training services were provided to Regional Labour Offices for the unemployed or those threatened by unemployment, as well as for staff and managers of enterprises seeking higher profitability and competitiveness. We also provided support to regional authorities in their efforts to accelerate badly needed investments in infrastructure, and especially in roads and transport and this work has included investment preparation (strategies, feasibility studies, Environmental Impact Assessments, financing plans), design (sections of regional and national road networks), and construction (supervision and project management services).

In Romania and Bulgaria, the transition was successfully achieved from English language, pre-EU accession programmes to locally procured projects, bid in local languages and financed mainly through the EU Structural and Cohesion Funds and Operational Programmes. In Romania, the team was strengthened significantly over the course of the year, particularly in respect of the business development and finance functions, making it largely self-sufficient. This team has established itself as one of the most successful in the area of socio-economic technical assistance projects in the country and at the end of the year was implementing a portfolio of projects with a combined value of €114.4m.

In Bulgaria the first half of the year was relatively difficult, with a scarcity of suitable projects. However, the second half of the year was more encouraging and a number of major proposals in the field of municipal infrastructure were submitted before the end of the year. A vocational training centre was established and while it has already successfully delivered a number of training courses, it will deliver the greatest benefit when the relevant measures under the National Rural Development Programme are launched.

New, high-profile private sector clients included Coca Cola, CEZ (the country's largest electrical supplier) and Petrol, related to preparation and management of projects for financing through the Human Resources Development Operation Programme. WYG Bulgaria was approved as Operational Programmes' Adviser for several municipalities, including the largest – Sofia Regional municipality.

Balkans

In Turkey and northern Cyprus there were several project wins, including four major projects with a total project value of €14.6m, involving the deployment of more than 100 consultants over the next four years and the establishment of 14 project offices within clients' premises. In addition, we secured a contract to assist the municipalities of Istanbul, Izmir, Ankara and Bursa to effectively manage the socio-economic and environmental problems resulting from migration and to rehabilitate and reintegrate street children. This is one of the largest EU-funded technical assistance projects in Turkey with a value of €8.1m.

Furthermore, we secured a €2.7m contract to establish Reception Centres for Asylum Seekers and Refugees and Removal Centres for Illegal Immigrants in seven Turkish cities. This is one of the larger EU-funded architectural design projects in the country. In northern Cyprus, the year saw the start of a four-year, €2m assignment to support rural development and a project to provide publicity and promote awareness of the European Union amongst the Turkish Cypriot community.

The Western Balkans remains a core market with the region receiving extensive allocations of financial support under the EU Instrument for Pre Accession Assistance (IPA). In late 2008 the first allocations for IPA 2007 and 2008 came on-stream for four of the seven Western Balkans territories (Croatia, Serbia,

Kosovo, Bosnia and Herzegovina) and the remaining three (Albania, Macedonia, Montenegro) were released in late 2009.

Substantial pipelines of projects have been identified for the next 12-18 months, with strong prospects for continuation over the next 3-5 years. Whilst to date the focus of active procurement has been in the socio-economic sector, there are also many technical projects in the pipeline which we will be pursuing. New wins include a €5m project to support Regional Development Agencies in Serbia and a €1.3m education project in Montenegro to set up a national qualifications framework. New investments include the establishment of a representative office in Serbia, and the appointment of an additional two country representatives to support business development across the region.

Commonwealth of Independent States (CIS – former Soviet Union)

The CIS remained a core business region for us and in the period saw several new projects secured with a total value of €13.4m, including two of around €5m each in Ukraine covering assistance with the World Trade Organisation (WTO) accession and reform of the judiciary. Additional wins included a prestigious regional Water Governance project in Central Asia and the organisation of a business registration ''One Stop Shop'' in Tajikistan.

Diversification away from the EU was achieved by winning a World Bank financial reform project in Tajikistan and a project in Uzbekistan for preparation and preliminary design of a major water and wastewater sector loan for the Asian Development Bank.

Further diversification into technical services will be actively pursued in the coming year, particularly in Kazakhstan, where WYG Kazakhstan has been registered as a legal entity and a company office opened staffed by an experienced Associate Director. Plans for the formal registration of WYG Ukraine were commenced and will be completed next year.

Middle East and Africa (MEA)

The Middle East and Africa region continued to grow with total revenues close to €10m. In the technical services field these projects included a €10m integrated transport policy and implementation project in Algeria, a project to strengthen the capacity of the energy and power sector in the Congo (generating revenues of €660k pa), and a €3.75m project management services contract with EIB to manage the design, procurement and implementation of a €90m water and sanitation project in Damascus, Syria.

Socio-economic projects included a new €9.7m assignment providing advice and support to regional institutions in the Africa-Pacific-Caribbean (ACP) on migration, a project to support provincial development plans in the Eastern Cape province in South Africa (generating €1.47m revenues pa) and a €20m programme aimed at improving the business environment / climate in ACP countries.

Our new MEA team was assembled to target a significant (€189m) pipeline of opportunities in the next year and beyond.

Gulf

In the Gulf, WYG Engineering opened during the year, a branch office in Abu Dhabi which the Company are using as its spearhead into this region.

People

At the end of June 2009 we employed 2,768 people compared to 3,468 people 12 months ago.

In the face of global economic recession and the changing needs of our clients, during the past year we have stated our three part strategy. This involves the streamlining of our business operations and creating 'centres of excellence'. As a result, we have undergone extensive restructuring which regrettably has meant the loss of around 700 people across the Group and around a further 100 full time equivalent reductions by introducing part-time working opportunities. The job losses were undertaken only as a last resort when all other actions had been considered or instigated in mitigation of redundancy. In some areas of the Group, where it was commercially feasible to do so, we have been able to save jobs by accommodating increased flexible working practices, operating recruitment restrictions and reducing basic salaries. We thank our people for working with our business leaders in this regard.

None of the above actions alter our commitment to retain, engage and develop our people – the lifeblood of our business. During the year we continued to deliver on this promise by embedding our 'People First' approach and equipping our people with a range of best practice tools to ensure that they can flourish, whilst continuing to deliver quality services to our clients.

The ‘People First’ approach involves the Group wide implementation of:

- defined job families for consulting, business services and leadership
- career ladders within each defined job family showing a clear path for progression
- generic job profiles to underpin the career ladders and personal development plans of our people
- the WYG Competency Framework which identifies the critical skills and behaviours needed to deliver the corporate brand values of being dependable, imaginative and purposeful
- new staff appraisal formats incorporating the WYG Competency Framework

A key concept of ‘Quality Partner’ has also been introduced across the Group, which utilises the ‘People First’ toolkit and links it to the ongoing transformation of White Young Green plc as a discipline-led business. It is the Quality Partner’s remit to ensure that consistency of high quality service continues to be delivered across all our offerings aimed at securing even more repeat business and building on the already strong reputation of the Group. The link between consistent ‘best in class’ service delivery leading to high levels of client satisfaction and improved employee motivation underpins our rationale to promote the ‘Quality Partner’ concept.

Protecting the intellectual property that our people bring to our clients and their projects continues to be the focus of all our people strategies as we remain alert to the existence of the war for talent. Continuing with this analogy, our defences remain strong. In the interest of modernising our people management approach and in order to deal compassionately with the challenges flowing out of our restructuring programme, our operational HR team was bolstered in the year by the recruitment of two additional, professionally qualified HR people. The new recruits joined their operational colleagues to assist our business leaders in the delivery of our people management interventions, harnessing complete dedication and support from all our areas of the business to ensure that our people feel engaged and supported in the face of widespread change.

In the graduate market place, whilst our intake for new graduates has reduced since last year, we have taken the decision to continue with our formal Graduate Development Programme (GDP) in order to maintain the excellent reputation we have created as a graduate employer in our sector. This includes enhancements to our existing programmes encompassing organised networking and CPD events, Executive Director work-shadowing days and investment of both time and resources in the development of the Graduate Forum – a web-based communication tool accessed by our graduates at any given time from any White Young Green plc location. Graduates continue to be supported by rotation programmes on a bespoke basis enabling them to trial a range of disciplines to ensure the right long term career choices are made. Throughout the programme, advice and guidance is provided by mentors, coaches and a dedicated graduate support team. In addition there is a range of self-directed learning opportunities together with structured, on the job training to equip our trainees with the technical, interpersonal, organisational and leadership skills needed for future careers success in White Young Green plc. We are pleased that candidates from ‘the Big Idea’ programme have been able to secure positions in the Group. One of these graduates is currently experiencing life in Abu Dhabi and forging her international career in the process.

The Company has accredited learning and development agreements with the following professional bodies: the Institution of Civil Engineers, Chartered Institution of Building Services Engineers, Institution of Engineers’ Ireland, Royal Institution of Chartered Surveyors and Chartered Institution of Water and Environmental Management. WYG is also a recognised learning partner of the Royal Town Planning Institute and continues working towards accreditation with many others.

We continue to invest appropriately in the development of our leaders and provide professional development support by modular and personal leadership development programmes to meet the succession needs of the business. Following successful evaluation of 2008 / 09 programmes, we have committed to continue the support for our business leaders for the coming year, incorporating the need to deliver our three part business strategy for the coming period and to take our people with us on that journey.

Learning and development has always played an important role across the business and continues to play a high profile this year as part of the ongoing commitment to helping our people fulfil their potential and improve job satisfaction. Our Learning and Development team has been extremely active in developing as many internal training solutions as possible in the prevailing economic climate and has played a key role in promoting knowledge sharing and knowledge management across the Group.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

	Note	Before exceptional and other items 2009 £'000	Exceptional and other items 2009 £'000	Total 2009 £'000	Before exceptional and other items 2008 £'000	Exceptional and other items 2008 £'000	Total 2008 £'000
Continuing operations							
Revenue	**4**	**261,629**	**–**	**261,629**	282,108	–	282,108
Operating expenses		**(244,649)**	**(140,634)**	**(385,283)**	(255,712)	(4,194)	(259,906)
Operating (loss)/profit		**16,980**	**(140,634)**	**(123,654)**	26,396	(4,194)	22,202
Finance costs	**5**	**(4,868)**	**(374)**	**(5,242)**	(5,354)	–	(5,354)
(Loss)/profit before tax		**12,112**	**(141,008)**	**(128,896)**	21,042	(4,194)	16,848
Tax credit/(charge)	**7**	**(2,912)**	**3,466**	**554**	(4,969)	2,558	(2,411)
(Loss)/profit attributable to equity shareholders		**9,200**	**(137,542)**	**(128,342)**	16,073	(1,636)	14,437
(Loss)/earnings per share	**8**						
Basic		**17.6p**	**(263.6p)**	**(246.0p)**	31.6p	(3.2p)	28.4p
Diluted		**17.7p**	**(264.1p)**	**(246.4p)**	30.4p	(3.1p)	27.3p
Dividend per share	**9**						
Interim – proposed and paid		**–**	**–**	**–**	3.2p	–	3.2p
Final – proposed		**–**	**–**	**–**	6.3p	–	6.3p
		–	**–**	**–**	9.5p	–	9.5p
Paid		**6.3p**	**–**	**6.3p**	8.6p	–	8.6p

Details of exceptional and other items are given in note 6.

The accompanying notes to the Accounts are an integral part of this consolidated income statement.

CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Note	2009 £'000	2008 £'000
Non-current assets			
Goodwill	**10**	**43,472**	115,625
Other intangible assets		**12,699**	15,203
Property, plant and equipment		**13,854**	14,517
Investments		**–**	–
Deferred tax assets		**275**	1,933
Derivative financial instruments		**13**	506
		70,313	147,784
Current assets			
Work in progress	**11**	**41,189**	48,041
Trade and other receivables	**12**	**64,076**	81,621
Tax recoverable		**3,919**	2,260
Cash and cash equivalents		**10,896**	17,427
		120,080	149,349
Current liabilities			
Trade and other payables		**(72,399)**	(79,977)
Current tax liabilities		**(704)**	(1,490)
Financial liabilities	**14**	**(7,298)**	(1,756)
		(80,401)	(83,223)
Net current assets		**39,679**	66,126
Non-current liabilities			
Financial liabilities	**14**	**(88,946)**	(83,874)
Retirement benefit obligation		**(4,126)**	(1,843)
Deferred tax liabilities		**(3,586)**	(4,127)
Provisions, liabilities and other charges	**13**	**(30,056)**	(3,680)
		(126,714)	(93,524)
Net (liabilities)/assets		**(16,722)**	120,386
Shareholders' equity			
Share capital		**2,648**	2,583
Share premium account		**22,324**	21,614
Merger reserve		**17,900**	51,599
Hedging and translation reserve		**2,985**	5,616
Retained earnings		**(62,579)**	38,974
		(16,722)	120,386

The accompanying notes to the Accounts are an integral part of this consolidated balance sheet.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2009

	2009 **£'000**	2008 £'000
Operating activities (note 16)		
Cash generated from/(used in) operations	**12,454**	30,998
Interest paid	**(5,322)**	(5,304)
Tax paid	**(435)**	(4,833)
Net cash generated from/(used in) operating activities	**6,697**	20,861
Investing activities		
Proceeds on disposal of property, plant and equipment	**671**	4,247
Purchases of property, plant and equipment	**(6,372)**	(6,476)
Purchases of businesses in prior and current years	**(7,985)**	(29,538)
Purchases of intangible assets (computer software)	**(989)**	(1,409)
Cash balances acquired with businesses	**–**	1,643
Dividends received	**–**	–
Net cash (used in)/generated from investing activities	**(14,675)**	(31,533)
Financing activities		
Net proceeds on issue of ordinary share capital	**775**	192
Equity dividends paid	**(3,251)**	(4,364)
Repayments of borrowings	**(94,341)**	(1,242)
Draw down of loan facilities	**94,605**	31,665
Repayments of obligations under finance leases	**(1,627)**	(6,519)
Purchase of own shares for Employee Benefit Trust	**(776)**	(622)
Net cash generated from/(used in) financing activities	**(4,615)**	19,110
Net (decrease)/increase in cash and cash equivalents	**(12,593)**	8,438
Cash and cash equivalents at beginning of year	**17,042**	8,604
Cash and cash equivalents at end of year	**4,449**	17,042

The accompanying notes to the Accounts are an integral part of this consolidated cash flow statement.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2009 **£'000**	2008 £'000
(Loss)/profit attributable to equity shareholders	**(128,342)**	14,437
Net exchange adjustments offset in reserves net of tax	**(2,138)**	6,102
Actuarial (losses)/gains on defined benefit pension schemes	**(1,449)**	584
(Losses)/gains on cash flow hedges	**(493)**	201
Tax on items taken directly to equity	**214**	(525)
Total recognised income and expense for the year	**(132,208)**	20,799

The accompanying notes to the Accounts are an integral part of this consolidated statement of recognised income and expense.

NOTES TO THE FINAL RESULTS

1. GENERAL INFORMATION

White Young Green plc is incorporated and domiciled in England, the address of its registered office is Arndale Court, Headingley, Leeds, LS6 2UJ. The company is listed on the London Stock Exchange.

The principal activity of the Group in the period under review was that of consultant to the built, natural and social environment. The Group's revenue derives from activities in Great Britain, Ireland and the Group's International division.

The financial information, which comprises the Group income statement, Group statement of recognised income and expense, Group balance sheet, Group cash flow statement and related notes, is derived from the full Group financial statements for the year ended 30 June 2009 and does not constitute full accounts within the meaning of section 434 of the Companies Act 2006. This financial information has been agreed with the auditors for release.

The Group Annual Report and Accounts for the year ended 30 June 2009 on which the auditors have given an unqualified report (but which includes emphasis of matter relating to going concern) and which does not contain a statement under section 498 of the Companies Act 2006, will be delivered to the Registrar of Companies in due course, and made available to shareholders from 10 November 2009.

2. BASIS OF PREPARATION

The accounts have been prepared in accordance with International Financial Reporting Standards (''IFRS''), International Financial Reporting Interpretations Committee (''IFRIC'') interpretations endorsed by the European Union (''EU'') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention with the exception of derivative financial instruments and share based payments which are recognised at fair value. The Group's accounting policies have been consistently applied to all the years presented, unless otherwise stated. The Group has adopted IFRS8, operating segments, in the current financial year.

The preparation of accounts in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group has recorded a category for 'exceptional and other items' in the income statement in 2009. In 2008, the Group did not record any exceptional items and the 'other items' disclosed in 2008 represented the amortisation of certain acquired intangible assets and research and development tax credits relating to prior years. These other items have been excluded from the 2009 definition of exceptional items as they are recurring in nature.

Exceptional items are those that are both material and non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the consolidated financial statements and are disclosed within their relevant business segment within segmental reporting. Items that may give rise to classification as exceptional items include, but are not limited to, significant and material restructuring closures and reorganisation programmes, asset impairments, and the profit or losses on the closure of offices.

3. RESTRUCTURING

As a result of the risk of potential future covenant breaches, the Company announced in February 2009 that it had entered into negotiations with its main lenders, Lloyds Banking Group plc, Fortis Bank UK Branch and The Royal Bank of Scotland plc ('the Banks'). Since June 2009, the Banks have deferred testing of the covenants, agreed on a monthly basis.

Since that time, the Company has been in extensive discussions with the Banks and has considered various means of re-balancing its capital structure and reducing the Company's level of net borrowings. The proposed restructuring involves the conversion to equity of a proportion of the Group's bank borrowings together with three year borrowing facilities. The Board believes that this debt to equity conversion and the refinanced facilities would provide a material strengthening of the Company's capital structure and financial position.

This proposed restructuring comprises:

- a conditional placing of new ordinary shares to the Banks in exchange for the conversion of a proportion of the Company's outstanding bank borrowings. The new ordinary shares subject to the placing to the Banks would represent, in aggregate, approximately 60.5% of the enlarged issued share capital of the Company;
- a conditional issue of unlisted preference shares, with the Banks being issued preference shares in the form of 'A' preference shares and 'B' preference shares;
- the gift by the Banks to the new employee benefit trust of the new 'B' preference shares for the purpose of enabling senior executive management to benefit from the new 'B' preference shares in due course;
- the new employee benefit trust acquiring new ordinary shares as would represent approximately 24.5% of the enlarged issued share capital of the company;
- the refinanced facilities, including term debt and working capital facilities and bonding facilities, that would be provided by the Banks;
- should the restructuring be approved by shareholders, the cancellation of the admission of the ordinary shares to the Official List and to trading on the London Stock Exchange's market for listed securities and to apply for admission to trading on AIM; and
- as necessary, a conditional waiver of the requirements of Rule 9 of the City Code on Takeovers and Mergers.

As part of the proposed banking facilities the Group would be required to meet certain financial covenant tests which will be tested at quarterly intervals over the term of the facilities.

Material uncertainties

The heads of terms for the proposed restructuring are not legally binding although they have been approved by the credit committee of each Bank. Further, the Banks have agreed to defer testing of certain financial covenants until the day after the Extraordinary General Meeting relating to the proposed restructuring, or 14 December 2009, whichever is the earlier.

Whilst the heads of terms have been approved by the credit committee of each Bank, the refinanced facilities are not currently committed and there remains the risk that the Banks could seek to renegotiate the agreed heads of terms or the proposed covenants. Should any further negotiations with the Banks prove unsuccessful then the Group may have insufficient liquidity shortly thereafter and may be unable to satisfy its existing financial covenants and / or service its existing borrowings.

The provision of the refinanced banking facilities is conditional on the completion of the proposed restructuring (including the proposed conversion of part of the existing debt into equity). This requires shareholder approval at an Extraordinary General Meeting, by a majority of 75% of those shareholders attending and voting (in person or by proxy). In the event that the necessary approvals are not obtained and the relevant resolutions are not passed, the refinanced banking facilities would not be made available and the Group would be required to re-enter negotiations with the Banks. Should these further negotiations prove unsuccessful then the Group would face being unable to satisfy its financial covenants and / or service its existing borrowings.

The Board has concluded that the status of the heads of terms and the conditions relating to the proposed restructuring, including the need for the requisite shareholder approval, represent material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

However, after considering these uncertainties and in light of the recent forecasts of the Group, the Board has a reasonable expectation that the Group will be successful in finalising the proposed restructuring and for this reason considers it to be appropriate to continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

4. SEGMENTAL INFORMATION

Business segments

IFRS 8 requires segment reporting to be based on the internal financial information reported to the chief operating decision maker. The group's chief operating decision maker is deemed to be the Executive

Committee comprising Paul Hamer (Chief Executive Officer), David Wilton (Group Finance Director), Graham Olver (Group Services Director), Liz Zukowski (HR Director) and the managing directors of the Business Units: John Jenkins (Engineering), Neil Parison (International), Ray Moore (Ireland), David Crichton-Miller (Environment Planning Transport) and Clive Anderson (Management Services). Its primary responsibility is to manage the group's day to day operations and analyse trading performance. The group's segments are detailed below and are those segments reported in the group's management accounts used by the Executive Committee as the primary means for analysing trading performance. The Executive Committee assesses profit performance using profit before tax measured on a basis consistent with the disclosure in the group accounts.

The Group's operations are managed and reported by Business Units as follows.

Engineering, Management Services and Environment Planning Transport are skill based, operate mainly in Great Britain and address a range of different markets and clients. There is no material reliance on specific clients or on types of project and the Business Units are actively encouraged to make best use of their own skills whilst actively promoting, where applicable, the other skills within White Young Green plc, thereby maximising the opportunity to cross-sell.

The Business Unit in Ireland, which covers both Northern Ireland and the Republic of Ireland, is set up to provide clients with skills in Engineering, Management Services and Environment, Planning and Transport. In effect, it replicates the organisational structure in Great Britain.

The International Business Unit was originally established on the back of socio-economic service demand from major clients such as the EU, World Bank and the UK Department for International Development. It has established in-country operations in Poland, Russia, Romania, Bulgaria, Turkey, Abu-Dhabi, Kazakhstan and South Africa and, in addition to its traditional socio economic service, now provides technical services into those markets utilising the skills available across the rest of the White Young Green plc business.

Segment consolidation is based on the same accounting principles as for the Group as a whole. Inter-segment sales are charged at prevailing market prices.

The segment results for the year ended 30 June 2009 are as follows:

	Engineering 2009 £'000	Management Services 2009 £'000	Environment Planning Transport 2009 £'000	Ireland 2009 £'000	International 2009 £'000	Eliminations 2009 £'000	Group 2009 £'000
Revenue							
Gross revenue	76,573	28,590	53,817	52,136	52,832	(2,319)	**261,629**
Inter-segment	(415)	(85)	(21)	(1,798)	–	2,319	**–**
External gross revenue	76,158	28,505	53,796	50,338	52,832	–	**261,629**
Operating profit excluding exceptional and other items	2,079	3,246	6,334	3,771	1,550	–	**16,980**
Exceptional and other items	(37,279)	(7,473)	(10,790)	(62,692)	(22,400)	–	**(140,634)**
Operating loss	(35,200)	(4,227)	(4,456)	(58,921)	(20,850)	–	**(123,654)**
Finance costs							**(5,242)**
Loss before tax							**(128,896)**
Tax							**554**
Loss attributable to equity shareholders							**(128,342)**
Other information							
Additions to property, plant and equipment and intangible assets	2,450	743	1,435	1,607	1,684	–	**7,919**
Depreciation and amortisation	3,144	1,037	2,063	2,948	1,314	–	**10,506**
Balance sheet							
Assets							
Segment assets	27,673	24,531	48,023	42,701	43,498	–	**186,426**
Unallocated corporate assets							**5,427**
Group total assets							**191,853**
Liabilities							
Segment liabilities	(30,194)	(8,270)	(13,555)	(22,799)	(37,969)	–	**(112,787)**
Unallocated corporate liabilities							**(95,788)**
Group total liabilities							**(208,575)**

The segment results for the year ended 30 June 2008 are as follows:

	Engineering 2008 £'000	Management Services 2008 £'000	Environment Planning Transport 2008 £'000	Ireland 2008 £'000	International 2008 £'000	Eliminations 2008 £'000	Group 2008 £'000
Revenue							
Gross revenue	97,459	35,373	55,791	53,646	45,506	(5,667)	**282,108**
Inter-segment	(2,668)	(821)	(518)	(1,660)	–	5,667	**–**
External gross revenue	94,791	34,552	55,273	51,986	45,506	–	**282,108**
Operating profit excluding exceptional and other items	5,277	4,238	7,921	6,878	2,082	–	**26,396**
Exceptional and other items	(802)	(478)	(1,280)	(1,506)	(128)	–	**(4,194)**
Operating profit	4,475	3,760	6,641	5,372	1,954	–	**22,202**
Finance costs							**(5,354)**
Profit before tax							**16,848**
Tax							**(2,411)**
Profit attributable to equity shareholders							**14,437**
Other information							
Additions to property, plant and equipment and intangible assets	5,382	1,553	3,425	847	658		**11,865**
Depreciation and amortisation	3,308	954	2,105	2,890	644	–	**9,901**
Balance sheet							
Assets							
Segment assets	62,876	33,132	57,673	91,722	47,526		**292,929**
Unallocated corporate assets							**4,204**
Group total assets							**297,133**
Liabilities							
Segment liabilities	(31,111)	(7,596)	(11,205)	(14,714)	(25,952)		**(90,578)**
Unallocated corporate liabilities							**(86,169)**
Group total liabilities							**(176,747)**

5. FINANCE COSTS

	2009 £'000	2008 £'000
Interest on bank loans, guarantees and overdrafts	**4,731**	4,593
Interest on obligations under finance leases	**138**	356
Interest on loan notes	**3**	46
Interest on defined benefit scheme liabilities	**370**	359
	5,242	5,354

6. EXCEPTIONAL AND OTHER ITEMS

	2009 **£'000**	2008 £'000
Employee termination costs	**8,968**	–
Office closure costs	**20,602**	–
Work in progress and trade receivables provisions	**20,547**	–
Professional indemnity claim provisions	**5,650**	–
Professional fees	**3,440**	–
Impairment of goodwill	**77,184**	–
Other restructuring costs	**2,013**	–
Finance costs	**374**	–
Exceptional items	**138,778**	–
Amortisation of acquired intangible assets	**2,230**	4,194
Exceptional and other items	**141,008**	4,194

White Young Green plc has incurred significant exceptional costs in the financial year. These exceptional costs arose predominantly from the restructuring of the Group, and relate to redundancies and office closure costs, the write down of work in progress and trade receivables balances, prospective offer costs, fees arising on the refinancing, the impairment of goodwill and other general restructuring costs.

The Board has implemented measures to reduce headcount in the financial year. These headcount reductions have been across the entire Group, but concentrated in the Engineering and Irish Business Units.

White Young Green plc has announced the closure of 17 regional offices in the UK and Republic of Ireland. A provision of £17.2m has been made as an exceptional cost in respect of vacant leasehold charges primarily made up of rent, rates and service charges payable by the Group over the remaining lease terms on vacated properties. The Group is actively seeking to sub-let these properties. In addition, the Group has provided £0.7m in respect of on-going cost obligations in closed locations and £2.7m for asset write offs.

When the half year results were announced on 25 February 2009, the Group reported an exceptional charge of £8m in respect of a provision against work in progress and trade receivables following a review of such balances. At the year end a further review was undertaken as part of the overall review of the Business Unit balance sheets and the Board now considers it necessary to provide a further £12.5m in respect of such balances. This review covered all receivable balances and was undertaken in the context of current market conditions and the Group restructuring. Where appropriate, efforts will be made to recover as much of these balances as possible.

The group's professional indemnity claim provision has been assessed on the likely scale of settlement payable by the group. The amounts classified as exceptional items include those costs that cover the insurance deductible payable on all outstanding claims.

The Group has incurred significant professional costs in connection with the refinancing. These costs are treated as exceptional.

The Group has reviewed the value of the goodwill arising upon past acquisitions carried on its balance sheets. Following this review, the Group has reduced the value of goodwill carried on the balance sheet in respect of all the Business Units. This impairment charge is an accounting matter and does not represent a cash cost.

Amortisation of acquired intangibles was classified as 'Other items' on the Income Statement last year. This year it has been included in exceptional and 'other' items.

7. TAX

	2009 £'000	2008 £'000
Current tax:		
UK corporation tax on profits for the year at 28% (2008: 29.5%)	**(2,206)**	3,479
Adjustments in respect of prior years	**–**	(2,081)
Overseas tax on profits for the year	**335**	1,289
	(1,871)	2,687
Deferred tax:		
Movement in deferred tax	**1,317**	(276)
	(554)	2,411
Tax on items charged to equity:		
Deferred tax (charge)/credit related to share-based payments	**(192)**	(361)
Deferred tax (charge)/credit related to the actuarial gains and losses on retirement benefit schemes	**406**	(164)
	214	(525)

Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Factors Affecting the Current Tax Charge for the Year

The tax charge for the year is lower (2008: lower) than the standard rate of corporation tax in the UK when applied to reported profit. The differences are explained below:

	2009 £'000	2008 £'000
(Loss)/profit before tax	**(128,896)**	16,848
(Loss)/profit before tax multiplied by the standard rate of UK corporation tax rate of 28% (2008: 29.5%)	**(36,089)**	4,970
Expenses not deductible for tax purposes	**4,563**	290
Non-deductible acquired assets amortisation	**17,526**	1,237
Adjustments in respect of prior years	**–**	(2,081)
Enhanced expenditure	**(428)**	–
Fixed asset timing differences	**781**	–
Losses carried forward	**9,706**	–
Other temporary differences	**(306)**	(1,014)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,376**	(715)
Total current tax (credit)/charge	**(1,871)**	2,687
Current year deferred tax – on amortisation of acquired intangibles	**(505)**	(1,163)
Current year deferred tax – other	**1,822**	887
Total tax (credit)/charge	**(554)**	2,411

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2009	2008
	£'000	£'000
Earnings for the purposes of basic and diluted earnings per share being profit for the year	**(128,342)**	14,437
Adjustment relating to exceptional items	**137,542**	1,636
Earnings for the purposes of basic and diluted adjusted earnings per share	**9,200**	16,073

	2009	2008
	Number	Number
Number of shares		
Weighted average number of shares for basic earnings per share	**52,169,867**	50,902,193
Effect of dilutive potential ordinary shares:		
Share options	**(92,318)**	112,460
Shares to be issued in respect of acquisitions	**–**	1,892,929
Weighted average number of shares for diluted earnings per share	**52,077,549**	52,907,582
Earnings per share		
Basic	**(246.0p)**	28.4p
Diluted	**(246.4p)**	27.3p
Adjusted earnings per share		
Basic	**17.6p**	31.6p
Diluted	**17.7p**	30.4p

9. DIVIDENDS

	2009	2008
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 30 June 2008 of 6.3p (2007: 5.4p) per share	**3,251**	2,713
Interim dividend for the year ended 30 June 2009 of nil (2008: 3.2p) per share	**–**	1,651
	3,251	4,364
Proposed final dividend for the year ended 30 June 2009 of nil (2008: 6.3p) per share	**–**	3,251

10. GOODWILL

	£'000
Cost	
At 1 July 2007	81,122
Exchange differences	4,991
Recognised on acquisition of businesses – current year	29,409
Recognised on acquisition of businesses – prior year	103
At 1 July 2008	115,625
Exchange differences	3,220
Recognised on acquisition of businesses – prior year	1,811
At 30 June 2009	**120,656**
Accumulated impairment losses	
At 1 July 2007, 1 July 2008	–
Impairment charge	(77,184)
Accumulated impairment losses at 30 June 2009	(77,184)
Net book value	
At 30 June 2009	**43,472**
At 30 June 2008	115,625

Goodwill is tested for impairment annually and whenever there are indications that it may have suffered an impairment. Goodwill is considered impaired to the extent that its carrying amount exceeds its recoverable amount, which is the higher of the value in use and the fair value less costs to sell of the cash generating unit (CGU) to which it is allocated. In the impairment tests of goodwill performed in 2009, the recoverable amount was determined based on the value in use calculations.

Management based the value in use calculations on cash flow forecasts derived from the most recent three year financial plans approved by the Board, including certain sensitivities in which the principal assumptions were those regarding sales growth and changes in direct costs.

Cash flows for the years beyond the three year financial plans for the CGUs to which significant amounts of goodwill were allocated were calculated as follows: cashflows in the fourth and fifth years and those thereafter were projected to grow at 2% per annum which does not exceed the long term growth rates in the principal end markets in the UK, Republic of Ireland and Europe.

Management applied discount rates to the resulting cashflow projections that reflect current market assessments of the time. Pre tax discount rates used in the annual impairment were 14%.

During the financial period, impairments totalling £77,184,000 were recognised in relation to the goodwill allocated across all CGUs.

In all CGUs there has been a deterioration in the markets which caused the impairment of £14,421,000 in International, £17,423,000 in Engineering, £2,592,000 in EPT, £2,394,000 in Management Services and £40,354,000 in Ireland.

Management has assessed the sensitivity of the recoverable amounts to key assumptions to be as follows: a one percentage point increase in the pre-tax discount rate of 14% would reduce the recoverable amount by £6.2m; a one percentage point fall in operating margin across all BUs would reduce the recoverable amount by £17.1m; and a one percentage point fall in the assumed long term growth rate of 2% would reduce the recoverable amount by £4.5m.

11. WORK-IN-PROGRESS

	2009 £'000	2008 £'000
Work-in-progress	**55,255**	48,751
Provision	**(14,066)**	(710)
Net work-in-progress	**41,189**	48,041

The value of work in progress comprises the costs incurred on a contract plus an appropriate proportion of overheads and attributable profit. Profit is recognised on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. Provision is made in full for estimated losses.

12. TRADE AND OTHER RECEIVABLES

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts receivable on contracts	**66,627**	76,897
Less: provision for impairment of trade receivables	**(9,178)**	(3,486)
Trade receivables – net	**57,449**	73,411
Prepayments and accrued income	**3,896**	4,621
Amounts owed by subsidiary undertakings	–	–
Other receivables	**2,731**	3,589
	64,076	81,621

13. PROVISIONS, LIABILITIES AND OTHER CHARGES

	Claims £'000	Redundancy £'000	Vacant Leasehold £'000	Total £'000
At June 2007	2,785	–	–	**2,785**
Additional provisions	1,896	–	–	**1,896**
Utilised during the year	(1,001)	–	–	**(1,001)**
At June 2008	**3,680**	**–**	**–**	**3,680**
Additional provisions	8,626	8,968	17,210	**34,804**
Utilised during the year	(2,731)	(5,697)	–	**(8,428)**
At June 2009	**9,575**	**3,271**	**17,210**	**30,056**

Professional indemnity claims

Provisions are made for current and estimated obligations in respect of claims made by contractors and the general public relating to accident or other insurable risks as a result of the business activities of the Group. These include claims held by the Group's captive insurance company, Oakdale Insurance Company Limited. In the prior year accounts the provision for professional indemnity claims was presented within accruals as the liability was not considered significant for separate disclosure.

Redundancy

Provision is made for current estimated future costs of redundancy and ex gratia payments to be made where this has been communicated to those employees concerned.

Vacant properties

The group has a number of vacant leasehold properties, with the majority of the head leases expiring within the next five years. Provision has been made for the residual lease commitments together with other outgoings, after taking into account potential sub-tenant arrangements and assumptions relating to later periods of vacancy.

14. FINANCIAL LIABILITIES

	2009 **£'000**	2008 £'000
Current		
Bank overdrafts	**6,447**	385
Obligations under finance leases	**851**	1,131
Loan notes	**–**	240
	7,298	1,756
Non-current		
Bank loans	**88,485**	82,592
Obligations under finance leases	**461**	1,282
	88,946	83,874
Financial liabilities are repayable as follows:		
On demand or within one year	**7,298**	1,756
In the second year	**431**	807
In the third to fifth years inclusive	**88,515**	83,067
	96,244	85,630

15. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2009 **£'000**	2008 £'000
(Loss)/profit attributable to equity shareholders	**(128,342)**	14,437
Net exchange adjustments offset in reserves net of tax	**(2,138)**	6,102
Actuarial (losses)/gains on defined benefit pension schemes	**(1,449)**	584
(Loss)/gains on cash flow hedges	**(493)**	201
Share-based payments	**(2,424)**	(242)
New share capital issued, net of expenses	**775**	15,264
Tax on items taken directly to equity	**214**	(525)
Equity dividends paid	**(3,251)**	(4,364)
Net (reduction from)/addition to shareholders' equity	**(137,108)**	31,457
Equity attributable to equity shareholders at beginning of year	**120,386**	88,929
(Deficit)/equity attributable to equity shareholders at end of year	**(16,722)**	120,386

16. CASH GENERATED FROM OPERATIONS

	2009 **£'000**	2008 £'000
(Loss)/profit from operations	**(123,654)**	22,202
Adjustments for:		
Depreciation of property, plant and equipment	**6,977**	4,652
Amortisation of intangible assets	**3,529**	5,249
Impairment of goodwill/investments	**77,184**	–
(Profit)/loss on disposal of property, plant and equipment	**201**	(858)
Share options (credit)/charge	**(1,648)**	1,214
Operating cash flows before movements in working capital	**(37,411)**	32,459
Decrease/(increase) in inventories	**8,818**	(4,666)
Decrease/(increase) in receivables	**22,267**	(5,648)
Increase in payables	**18,780**	8,853
Cash generated from/(used in) operations	**12,454**	30,998
Interest paid	**(5,322)**	(5,304)
Tax paid	**(435)**	(4,833)
Net cash generated from/(used in) operating activities	**6,697**	20,861

17. ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2008 £'000	Cash flows £'000	Acquisitions	Other non-cash items £'000	**At** **30 June** **2009** **£'000**
Cash and cash equivalents	17,427	(6,531)	–	–	**10,896**
Bank overdrafts	(385)	(6,062)	–	–	**(6,447)**
Bank loans due after one year	(82,592)	(504)	–	(5,389)	**(88,485)**
Loan notes due within one year	(240)	240	–	–	–
Finance leases and hire purchase contracts	(2,413)	1,627	–	(526)	**(1,312)**
	(68,203)	(11,230)	–	(5,915)	**(85,348)**
Add back cash in restricted access accounts	(3,412)	52	–	–	**(3,360)**
	(71,615)	(11,178)	–	(5,915)	**(88,708)**

The net debt has been restated to show the Oakdale and restricted WYG International balances.

Other non-cash movements represent currency exchange differences and finance lease creditor movements.

18. RELATED PARTY TRANSACTIONS

There have been no changes in the nature of related party transactions as described in the 2008 Annual Report and Accounts and there have been no new related party transactions disclosed in the 2009 Annual Report and Accounts which have had a material effect on the financial position or performance of the group in the year ended 30 June 2009.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with Rule 4.1.12 of the Disclosure and Transparency Rules, the following responsibility statement is given by each of the directors: namely Mike McTighe, Non Executive Chairman; Paul Hamer, Chief Executive Officer; David Wilton, Group Finance Director; Graham Olver, Group Services Director and Company Secretary; Robert Barr, Non Executive Director and John Richardson, Non Executive Director. The directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have prepared the Group and Parent Company accounts in accordance with International Financial Reporting Standards (''IFRS'') as adopted by the European Union. Under Company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

Each of the directors, whose names and functions are listed above, confirm that to the best of their knowledge, the Group financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Directors' Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the accounts and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group accounts, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual Report and Accounts will be published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the directors. The work carried out by the auditors does not include consideration of these matters. Legislation in the UK governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

SECTION C – BUSINESS OVERVIEW

1. Business overview

White Young Green is a multidisciplinary consultant delivering engineering, design, project management, town planning and environmental solutions for clients across a broad range of sectors including healthcare, education, defence, infrastructure and energy. White Young Green is structured with five business units: Engineering; Management Services; Environment, Planning and Transport; White Young Green Ireland; and White Young Green International.

White Young Green Engineering

White Young Green Engineering provides a full range of complementary engineering services to clients covering all key engineering disciplines and many associated specialist skills. A fully integrated and coordinated service is provided across the full spectrum of civil, structural, mechanical, electrical, building physics, transportation, water, energy and geotechnical engineering disciplines. Innovative engineering services are essential to all property, infrastructure and environmental investment and will be of increasing importance in dealing with the impact of climate change.

White Young Green Management Services

WYG Management Services offers clients an increasingly broad spread of higher value non-design related management services including project management, property management, cost management, dispute resolution, health and safety management, security consultancy and socio-economic advisory services. These skills are at the heart of decision making and are essential to the effective control of investment at all stages of the asset life cycle. White Young Green offers these management services to clients across both the public and private sectors either as a stand-alone service or in conjunction with the Group's other divisions.

White Young Green Environment Planning Transport

White Young Green Environment Planning Transport (''EPT'') provides a full range of environmental services to clients including noise, air and water quality, environmental management systems, ecology, environmental impact assessments, waste management, landscape and urban design, pollution control, geotechnical investigations, asbestos surveys and contaminated land remediation services. It also provides a comprehensive range of high quality planning services including planning advice and support, urban design, masterplanning and landscape architecture. In addition, it specialises in the provision of transport advice to both the development industry and local and central government.

White Young Green Ireland

White Young Green Ireland, which covers both Northern Ireland and the Republic of Ireland, provides clients with skills in Engineering, Management Services and EPT. The business has grown through a mixture of organic and acquisitive growth to be one of the largest multi-disciplinary consultancies in Ireland.

White Young Green International

White Young Green International provides social and economic regeneration consultancy together with the core White Young Green technical skills of Engineering, Management Services and EPT. The International Business Unit was originally established on the back of socio-economic service demand from major clients such as the EU, the World Bank and the UK Department for International Development. It has established in-country operations in Poland, Russia, Romania, Bulgaria, Turkey and South Africa and, in addition to its traditional socio-economic service, is looking to provide technical services into those markets utilising the skills available across the rest of the White Young Green business.

2. Strategy

White Young Green has developed a three part strategy to respond to the challenging conditions in its sector and the wider economic environment, and to ensure that the Group is well placed to exploit the recovery when it occurs. The key elements of this strategy are:

- To create a 'fit-for-purpose' business. The Group is focused on delivering a more streamlined and devolved operating model, reshaping the Group into a more efficient operation with a more

rationalised and competitive cost base. There is an increased focus on cash management with further improvements to working capital management and rigorous control of capital expenditure;

- To internationalise the White Young Green Group. The focus for future growth will be to expand significantly the Group's international operations, transforming the balance of White Young Green's revenue and offsetting its current dependency on the UK and Irish markets; and
- To secure growth in key markets and sectors. The Group will seek to leverage areas where White Young Green already has significant strength and expertise, including the education, healthcare and transport sectors, providing further strategic and technical focus to grow these areas through the harmonisation of Group-wide skills and capabilities. White Young Green will also focus on developing its offering in disciplines and sectors where there are attractive long-term growth drivers and visible funding streams.

The Board believes that the increased financial stability and strengthened capital structure which the Restructuring would provide, combined with its three-part strategy, will mean that the Group will be well placed to cope with current challenging market conditions and ensure that the Group emerges with a more streamlined and strengthened business model focused on its key commercial growth areas.

3. Clients and markets

The Group has a broad client base spanning both the public and private sectors. For the year ended 30 June 2009, approximately 64 per cent. of the Group's revenue was generated by public sector work and approximately 36 per cent. of the Group's revenue was generated by private sector work. In terms of geographic diversification, the Group's main market is the UK, which generated approximately 60.6 per cent. of the Group's revenue for the year ended 30 June 2009, while the Republic of Ireland generated approximately 19.2 per cent. and the rest of the world approximately 20.2 per cent.

The Group has a resilient, flexible workforce which can be directed at those market sectors generating the best opportunities and experiencing the most positive growth. Initiatives have been taken to streamline and improve operations in key areas such as business development, those areas of the business experiencing reduced demand, working capital management and cost control.

Whilst current market conditions remain challenging the Group remains confident that its diversified business model, with no disproportionate dependence on any one sector or client, will prove to be resilient.

In addition, the strategic focus on international diversification, energy and the environment and transport and infrastructure is already generating significant opportunities and the Board believes the combination of all these factors will provide a sound basis for progress in the future.

PART VI

SUMMARY HISTORICAL FINANCIAL INFORMATION ON LLOYDS BANKING GROUP, RBS AND FORTIS

1. Summary historical financial information on Lloyds Banking Group

(a) Summary historical financial information on Lloyds TSB Group plc

The following has been extracted without material adjustment from the audited report and accounts of Lloyds TSB Group plc for the years ended 31 December 2007 and 2008, and from the unaudited interim results of Lloyds Banking Group plc and HBOS plc for the half year ended 30 June 2009.

£m Income statement	Lloyds Banking Group plc HY 2009	Lloyds TSB Group plc FY 2008	 FY 2007
Total income net of insurance claims	9,798	9,872	10,706
Profit before taxation	5,950	807	4,000

As at 31 December 2008, Lloyds TSB Group plc had net assets of £9,699 million.

(b) Summary historical financial information on HBOS plc

The following has been extracted without material adjustment from the audited report and accounts of HBOS plc for the years ended 31 December 2007 and 2008.

£m Income statement	FY 2008	FY2007
Turnover[(1)]	9,804	13,607
Profit before taxation	(10,825)	5,474

(1) Turnover, for these purposes, has been calculated as being the net operating income of HBOS plc less (i) change in investment contract liabilities; (ii) net claims incurred on insurance contracts; (iii) net change in insurance contract liabilities; and (iv) change in unallocated surplus.

As at 31 December 2008, HBOS plc had net assets of £13,499 million.

2. Summary historical financial information on RBS

The following has been extracted without material adjustment from the audited report and accounts of RBS for the years ended 31 December 2007 and 2008, and from the unaudited interim results of RBS for the half year ended 30 June 2009.

£m Income statement	HY 2009	FY 2008[(1)]	FY 2007
Total income	21,841	25,868	30,366
(Loss)/profit before taxation	(244)	(40,836)	9,832

(1) The results for the year ended 31 December 2008 have been restated for the amendment to IFRS 2 'Share-based Payments'. This has resulted in an increase in staff costs of £169 million for the year.

As at 31 December 2008, RBS had net assets of £80,498 million.

3. Summary historical financial information on Fortis

The following has been extracted without material adjustment from the audited report and accounts of Fortis for the years ended 31 December 2007 and 2008, and from the audited interim results of Fortis for the half year ended 30 June 2009.

€m **Income statement**	**HY 2009**	**FY 2008**	**FY 2007**
Total income net of interest expense	2,163	5,012	7,989
Profit before taxation	178	(11,232)	(165)

As at 31 December 2008, Fortis had net assets of €15,143 million.

PART VII

ADDITIONAL INFORMATION

1. Responsible persons

1.1 The Directors, whose names appear on page 6 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.

1.2 Truett Tate, on behalf of Lloyds Banking Group, accepts responsibility for the information contained in paragraph 19(a) of Part I and paragraph 1 of Part VI of this Document. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 Peter Ballard, on behalf of RBS, accepts responsibility for the information contained in paragraph 19(b) of Part I and paragraph 2 of Part VI of this Document. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.4 Paul Cardoen, on behalf of Fortis, accepts responsibility for the information contained in paragraph 19(c) of Part I and paragraph 3 of Part VI of this Document. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

White Young Green's registered office is at Arndale Court, Headingley, Leeds, West Yorkshire LS6 2UJ (Tel: +44 (0)113 278 7111).

3. Interests of Directors and Related Party Managers

3.1 The interests of the Directors and Related Party Managers, all of which, unless otherwise stated, are beneficial, in the issued share capital of White Young Green as at 8 December 2009 (being the latest practicable date prior to the publication of this Document) and following the Restructuring are as follows:

Directors	Number of Ordinary Shares as at the date of this Document[(2)]	Percentage of current issued share capital	Number of Ordinary Shares following the Restructuring	Percentage of issued share capital following the Restructuring
R M McTighe	Nil	Nil	705,797	2.00%
P C Hamer	63,000	0.12%	1,064,996	3.02%
D C Wilton[(2)]	79,279	0.15%	272,601	0.77%
G D Olver	Nil	Nil	264,674	0.75%
J D Richardson[(1)]	14,083	0.03%	1,408	0.004%
R G A Barr	12,500	0.02%	1,250	0.004%
Related Party Managers				
David Crichton-Miller[(2)]	5,349	0.01%	265,208	0.75%
Raymond Moore[(2)]	17,733	0.03%	266,447	0.76%

Notes:

1. 14,083 Ordinary Shares held by Elizabeth Linda Richardson
2. The total number of Ordinary Shares held by each of these individuals includes Partnership Shares and Matching Shares held by the SIP Trustee pursuant to the Share Incentive Plan. Partnership Shares can be withdrawn from the SIP Trust at any time. However, Matching Shares must remain in the SIP Trust for five years following their acquisition. Matching Shares may also be forfeited if the employee ceases to be an employee of the Group within three years from the payroll deduction relating to such award.

3.2 The interests of the Directors and the Related Party Managers above and persons connected with them, in Ordinary Shares represent, as at the date of this Document, in aggregate, 0.36 per cent. of White Young Green's issued ordinary share capital. Save as set out above in paragraph 3.1 of this Part VII, no further shares are being issued to any of the Directors or the Related Party Managers or to persons connected with them as part of the Restructuring.

3.3 The Directors and the Related Party Managers are interested in issued and unissued Ordinary Shares under share options and awards held by them pursuant to the Share Incentive Schemes as follows:

Long Term Incentive Plan

Name	Market price	Ordinary Shares under Award	Earliest Vesting Date
Paul Hamer	–	315,510	17/04/2012
David Wilton	–	252,409	17/04/2012
Raymond Moore	£3.695	10,825	04/10/2009
	£4.548	10,114	10/10/2010

Share Incentive Plan

Name	Type of Award	Ordinary Shares under Award
Raymond Moore	Partnership Award	8,730
	Matching Award	873
David Wilton	Partnership Award	3,890
	Matching Award	389
David Crichton-Miller	Partnership Award	4,863
	Matching Award	486

Partnership Shares and Matching Shares are acquired by the SIP Trustee on a monthly basis. The figures above relate to the Ordinary Shares held by the SIP Trustee as at 8 December 2009, being the latest practicable date prior to the publication of this Document. Partnership Shares can be withdrawn from the SIP Trust at any time. However, Matching Shares must remain in the SIP Trust for a period of five years following the date of the award. Matching Shares will be forfeited by the employee if he or she leaves the Group within three years of the payroll deduction.

4. Service agreements for Directors and Related Party Managers

4.1 The remuneration (including salary and other benefits) paid to the Directors for the financial year ended 30 June 2009 is as follows:

					For the year to 30 June 2009			
Name	**Title**	**Contract date**	**Leave (days)**	**Notice Period (months)**	**Salary (£)**	**Bonus (£)**	**Pensions (£)**	**Benefits (£)**
R M McTighe	Non-Executive Chairman	03.08.2009	–	3	–	–	–	–
P C Hamer	Chief Executive Officer	11.03.2009	25	12	265,000	81,000	39,000	13,000
D C Wilton	Group Finance Director	17.04.2009	25	12	85,000	–	15,000	4,000
G D Olver	Group Services Director and Company Secretary	03.08.2009	25	12	–	–	–	–
J D Richardson	Non-Executive Director	21.07.1997	–	3	35,000	–	–	–
R G A Barr	Non-Executive Director	01.01.2007	–	3	33,000	–	–	–

Details of the Directors' service agreements or letters of appointment (in the case of the non-executive directors) with White Young Green are as follows:

Paul Hamer has entered into a service agreement with the Company's subsidiary, White Young Green Engineering Limited, dated 5 January 2009 which continues unless terminated by either Mr Hamer or the Company. The agreement can be terminated at any time by Mr Hamer by providing the Company with twelve months' notice. From 5 January 2009, eighteen months' notice must be given by the Company, reducing by one month for every month of service thereafter up to 30 June 2009. Following 30 June 2009, twelve months' notice must be given by the Company. The agreement provides for an annual salary of £325,000, the use of a company car, membership of a private medical scheme, permanent health insurance, life assurance cover and pension contributions of 17.5 per cent. of his salary. The agreement also provides that Mr Hamer is entitled to participate in the Company's directors' bonus scheme and may be awarded up to 75 per cent. of his salary, dependent upon both Company and individual performance. The agreement contains a discretionary payment in lieu of notice clause which provides for payment equivalent to salary, company car allowance, private medical cover and pension contributions to be paid in respect of the notice period in monthly instalments. The agreement provides that if Mr Hamer performs any services as an employee or director or independent contractor at any time during the notice period then the payments due by the Company shall be reduced by the amount of such income.

Paul Hamer accepted a salary sacrifice for the year ending 30 June 2010, which reduced his salary by £32,500 to £292,500 per annum. The terms of the salary sacrifice provide for repayment of the surrendered salary in the event of termination of employment due to redundancy or ill health.

The Company has agreed to pay Paul Hamer a one-off contractual bonus of £48,750, on completion of the Restructuring.

David Wilton has entered into a service agreement with the Company's subsidiary, White Young Green Engineering Limited, dated 17 April 2009 which continues unless terminated by either Mr Wilton or the Company. The agreement can be terminated at any time by Mr Wilton or the Company giving twelve months' notice. The agreement provides for an annual salary of £225,000, a car allowance, membership of a private medical scheme, permanent health insurance, life assurance cover and pension contributions of 17.5 per cent of his salary. The agreement also provides that Mr Wilton is entitled to participate in the Company's directors' bonus scheme and may be awarded up to 75 per cent. of his salary, dependent upon both Company and individual performance. The agreement also provides that Mr Wilton is entitled to participate in the Company's Long Term Incentive Plan and may be awarded, subject to the rules of the scheme, with awards with a value of up to 75 per cent. of his salary. The agreement contains a discretionary payment in lieu of notice clause which provides for payment equivalent to salary, company car allowance, private medical cover and pension contributions to be paid in respect of the notice period in monthly instalments. The agreement provides that if Mr Wilton performs any services as an employee or director or independent contractor at any time during the notice period then the payments due by the Company shall be reduced by the amount of such income.

David Wilton accepted a salary sacrifice for the year ending 30 June 2010, which reduced his salary by £25,000 to £200,000 per annum. The terms of the salary sacrifice provide for repayment of the surrendered salary in the event of termination of employment due to redundancy or ill health.

The Company has agreed to pay David Wilton a one-off contractual bonus of £33,750, on completion of the Restructuring.

Graham Olver has entered into a service agreement with the Company dated 3 August 2009 which continues unless terminated by either Mr Olver or the Company. The agreement can be terminated at any time by Mr Olver or the Company giving twelve months' notice. The agreement provides for an annual salary of £225,000, the use of a company car, membership of a private medical scheme, permanent health insurance, life assurance cover and pension contributions of 17.5 per cent. of his salary. The agreement also provides that Mr Olver is entitled to participate in the Company's directors' bonus scheme and may be awarded up to 75 per cent. of his salary, dependent upon both Company and individual performance. The agreement also provides that Mr Olver is entitled to participate in the Company's Long Term Incentive Plan and may be awarded, subject to the rules of the scheme, with awards with a value of up to 75 per cent. of his salary. The agreement contains a discretionary payment in lieu of notice clause which provides for payment equivalent to salary, company car allowance, private medical cover and pension contributions to be paid in respect of the

notice period in monthly instalments. The agreement provides that if Mr Olver performs any services as an employee or director or independent contractor at any time during the notice period then the payments due by the Company shall be reduced by the amount of such income.

Graham Olver accepted a salary sacrifice for the year ending 30 June 2010, which reduced his salary by £25,000 to £200,000 per annum. The terms of the salary sacrifice provide for repayment of the surrendered salary in the event of termination of employment due to redundancy or ill health.

The Company has agreed to pay Graham Olver a one-off contractual bonus of £33,750, on completion of the Restructuring.

The services of Mike McTighe as non-executive chairman are provided under the terms of a letter of appointment entered into between the Company and Mike McTighe dated 24 July 2009 for an initial period of three years, continuing thereafter until terminated by the Company or Mr McTighe upon the giving of three months' notice. Mike McTighe is paid an annual fee of £125,000, reviewed annually.

The Company has agreed to pay Mike McTighe a one-off contractual bonus of £50,000, on completion of the Restructuring.

Mr Richardson has been appointed as a non-executive director since 1997 and is currently paid an annual fee of £35,000, reviewed annually. The services of Mr Richardson can be terminated at any time by the Company or Mr Richardson giving three months' notice.

The services of Mr Barr as non-executive director are provided under the terms of a letter of appointment dated 13 November 2006 for an initial period of three years, continuing thereafter until terminated by the Company or Mr Barr upon the giving of three months' notice. Mr Barr is paid an annual fee of £33,000, reviewed annually.

4.2 Details of the Related Party Managers' service agreements with White Young Green are as follows:

David Crichton-Miller entered into a service agreement with the Company's subsidiary, White Young Green Engineering Limited, dated 7 March 2008, which provides for the appointment of David Crichton-Miller as managing director of White Young Green's environmental, planning and transport planning division. The agreement continues unless terminated by either Mr Crichton-Miller or the Company and can be terminated at any time by Mr Crichton-Miller or the Company providing six months' written notice. Mr Crichton-Miller is entitled to a basic salary (currently at the rate of £170,000 per annum) and certain other benefits including participation in the Company's directors' bonus scheme, participation in the Long Term Incentive Plan, provision of a company car, permanent health insurance, participation in the Company's pension scheme, group personal accident insurance and private medical insurance. There are no provisions in the service agreement which provide for benefits to be paid upon termination of employment.

Raymond Moore entered into a service agreement with the Company's subsidiary, White Young Green Engineering Limited, dated 6 October 2006. Mr Moore is employed as the group managing director of White Young Green Ireland. The agreement continues unless terminated by either Mr Moore or the Company and can be terminated at any time by Mr Moore or the Company giving 12 months' notice. Mr Moore is entitled to a basic salary (currently at the rate of £118,750 per annum) and certain other benefits including participation in the Company's directors' bonus scheme, participation in the Long Term Incentive Plan, provision of a company car, permanent health insurance, participation in the Company's pension scheme, group personal accident insurance and private medical insurance. There are no provisions in the service agreement which provide for benefits to be paid upon termination of employment.

5. Substantial shareholdings of White Young Green

5.1 In addition to the interests of the Directors disclosed in paragraph 3.1 of this Part VII above, White Young Green is aware that the following persons were interested, directly or indirectly, in three per cent. or more of White Young Green's issued share capital as at 8 December 2009 (being the latest practicable date prior to the publication of this Document):

	Number of Ordinary Shares	Percentage of current issued share capital	Number of Ordinary Shares following the Restructuring	Percentage of issued share capital following the Restructuring
Blackrock Investment Management (UK) Limited	6,221,379	11.75%	622,137	1.76%
Barclays PLC	3,711,887	7.01%	371,188	1.05%
Foreign & Colonial Asset Management plc	2,526,414	4.77%	252,641	0.72%
Axa Framlington Investment Management Limited	2,204,293	4.16%	220,429	0.62%

5.2 Save as disclosed in paragraph 5.1 above, at the date of this Document White Young Green is not aware of any person who is interested, directly or indirectly, in three per cent. or more of the existing issued share capital of White Young Green.

6. Interests and dealings and transfer of securities

6.1 The Lenders and persons acting in concert (as defined in the Takeover Code) with the Lenders have as at 8 December 2009, being the latest practicable date prior to publication of this Document, interests in Existing Issued Ordinary Shares and, during the 12 months preceding the date of this Document, have dealt for value in Existing Issued Ordinary Shares. However, with the exception of 41 Existing Issued Ordinary Shares held by Halifax Share Dealing Limited, part of Lloyds Banking Group, such interests are not held beneficially and such dealings have been carried out on a non-discretionary or ''execution only'' basis. The Takeover Panel Executive has confirmed that such dealings, because of the basis upon which they have been carried out, are not required to be set out in this Document.

6.2 Apart from the 2.4 million ''B'' Preference Shares and 8,631,111 Post-Consolidation New Ordinary Shares to which the Lenders are entitled which will instead be issued directly to the New Employee Benefit Trust (as described in paragraph 1 of Part I of this Document), no Post-Consolidation Ordinary Shares or Preference Shares that the Lenders will receive under the terms of Restructuring will be transferred to any other persons.

7. Material contracts

Below is a summary of each material contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Group (a) within the two years immediately preceding the date of this Document and which is material to the Group or (b) which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Document:

7.1 on 23 February 2007, White Young Green entered into the Existing Facilities Agreement with, amongst others, Lloyds TSB Bank plc as Agent and Arranger (each term as defined therein), Lloyds TSB Bank plc and certain other lenders as Original Lenders (as defined therein). The agreement makes available a multicurrency term loan facility of £30,000,000 (**''Facility A''**) and a multicurrency revolving loan facility of £70,000,000 (**''Facility B''**). Facility A and Facility B are together referred to as the **''Existing Lending Facilities''**. Facility A shall be used towards its general corporate purposes and the refinancing of existing indebtedness of the Group. Facility B shall be used towards its general corporate purposes, the refinancing of existing indebtedness of the Group and making acquisitions. Borrowings under the Existing Lending Facilities accrue interest at the aggregate percentage rate per annum of (i) 0.90 per cent. (the **''Margin''**) (ii) LIBOR (or in relation to any Loan in Euros, EURIBOR) and (iii) Mandatory Cost (if any). The Margin is subject to adjustment according to the ratio of total net debt to EBITDA and following such adjustment may be reduced to a minimum of 0.45 per cent. The agreement contains representations, undertakings and events of default (on the occurrence of which Lloyds TSB Bank plc as Agent may cancel the Existing Lending Facilities and demand full repayment of all loans outstanding under the Existing Lending Facilities) customary for facilities of their size and nature, including restrictions on the creation and subsistence of security and the disposal of certain assets in the Group, subject in each case to certain exceptions. The total commitments under the Existing Lending Facilities are repayable by 23 February 2012. The Group has an overdraft facility of £5.0 million with Lloyds Banking Group, an overdraft facility of €4.0 million with Fortis and a

further overdraft facility of 2.5 million PLN (Polish Zloty) with Fortis Bank Polska S.A., each of which are repayable on demand;

7.2 on 11 April 2007, White Young Green and various Group Companies entered into an accession letter with Lloyds TSB Bank plc as Agent under the Existing Lending Facilities, pursuant to which White Young Green International Limited, White Young Green Ireland Limited, White Young Green Environmental (Ireland) Limited, White Young Green Consulting Limited, White Young Green Environmental Limited, Tweeds Limited and Adams Kara Taylor Limited each agreed to become a guarantor of the Existing Lending Facilities;

7.3 the Framework Agreement, further details of which are set out in paragraph 1 of Part III of this Document;

7.4 the Debt Conversion Agreement, further details of which are set out in paragraph 2 of Part III of this Document;

7.5 the Restructured Facilities Agreement, further details of which are set out in paragraph 3 of Part III of this Document;

7.6 the Security Documents, further details of which are set out in paragraph 4 of Part III of this Document;

7.7 the Investment Agreement, further details of which are set out in paragraph 5 of Part III of this Document;

7.8 the New Articles, further details of which are set out in paragraph 6 of Part III of this Document;

7.9 the White Young Green Joint Share Ownership Plan 2009, further details of which are set out in paragraph 1 of Part IV of this Document;

7.10 the White Young Green Performance Share Plan 2009, further details of which are set out in paragraph 3 of Part IV of this Document; and

7.11 the One-Off Award, further details of which are set out in paragraph 2 of Part IV of this Document.

8. Middle market quotations

Set out below are the closing middle market quotations for the Ordinary Shares for the first dealing day of each of the six months immediately preceding the date of this Document and for 8 December 2009 (being the latest practicable date prior to the publication of this Document).

Date	**Price per Ordinary Share (pence)**
8 December 2009	7.63p
1 December 2009	8.75p
2 November 2009	11.0p
1 October 2009	13.0p
1 September 2009	11.0p
3 August 2009	24.0p
1 July 2009	23.25p

9. Application for listing of Ordinary Shares on AIM

Application will be made to the London Stock Exchange for admission of the Post-Consolidation Ordinary Shares to trading on AIM.

10. Working capital

10.1 *With the Restructuring*

Following completion of the Restructuring, the Company is of the opinion that, with the Refinanced Lending Facilities, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this Document.

10.2 *Without the Restructuring*

If Shareholders do not approve the Restructuring Resolutions, the Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Document.

11. Significant change

There has been no significant change in the financial or trading position of the White Young Green Group since 30 June 2009, the date to which the White Young Green Group's annual report and accounts for the year ended 30 June 2009 were prepared.

12. Material change

There has been no material change in the financial or trading position of White Young Green Group since 30 June 2009, the date to which the White Young Green Group's annual report and accounts for the year ended 30 June 2009 were prepared.

13. Taxation

13.1 *United Kingdom taxation*

The following paragraphs, which are intended as a general guide only and are based on current United Kingdom legislation and HM Revenue & Customs practice, summarise certain limited aspects of the United Kingdom taxation consequences of the Restructuring. They relate only to the position of Shareholders who are resident and, if individuals, ordinarily resident in the United Kingdom for taxation purposes and who hold their Ordinary Shares beneficially as an investment. The tax position of certain categories of Shareholders who are subject to special rules (such persons who acquired their Ordinary Shares by reason of employment (including pursuant to a White Young Green Share Incentive Scheme or any other employee share scheme), dealers in securities, insurance companies and collective investment schemes) is not considered.

13.2 *Taxation of chargeable gains*

The proposed Share Reorganisation and Share Consolidation as more particularly described in Part I of this Document, should be treated as a reorganisation for the purposes of United Kingdom taxation of chargeable gains and consequently should not be treated as involving any disposal or acquisition by Shareholders. Instead, each Shareholder's original holding of Ordinary Shares (taken as a single asset) and new holding of Post-Consolidation Ordinary Shares and Deferred Shares will be treated as the same asset acquired at the same time and for the same consideration. On a future part disposal of Post-Consolidation Ordinary Shares it is necessary for each Shareholder to apportion the cost of acquisition of any of the original shares between what is disposed of and what is retained, the apportionment being made by reference to market value at the date of disposal.

13.3 *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

No stamp duty or SDRT should be payable by Shareholders as a result of the Restructuring. If you are in doubt as to your taxation position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser immediately.

13.4 *HMRC rules for AIM shares in respect of Individual Savings Accounts*

It is not possible to hold shares traded on AIM in an Individual Savings Account ("**ISA**"). Under current HMRC rules, Shareholders will have 30 days following Admission to either transfer their Ordinary Shares out of their ISA or sell their holding and retain the proceeds within the ISA.

14. Costs and expenses

The expenses of and incidental to the Restructuring, including professional fees, are estimated to amount to approximately £4.9 million (excluding VAT), and will be payable by the Company. The

estimated net cash proceeds of the Restructuring accruing to the Company are nil, though the level of debt converted to New Ordinary Shares and Preference Shares as part of the Restructuring is approximately £52.9 million, and will be used for the purposes described in Part I of this Document.

15. Sources and bases of information and cross referencing to other documents

This Document incorporates by reference the following documents:

(a) the financial statements of the Group for the years ended 30 June 2008 and 30 June 2007 included in the annual report and accounts for the year ended 30 June 2008 together with the audit report thereon; and

(b) the financial statements of the Group included in the annual report and accounts for the year ended 30 June 2009 together with the audit report thereon.

A checklist of cross references to these documents in this Document is set out in Part VIII of this Document.

The sections of the above documents which have not been incorporated by reference into this Document are either not relevant to Shareholders for the purposes of the Restructuring or are covered elsewhere in this Document.

16. Related party transactions of the Group

Save for the disclosures in note 30 of the annual report and accounts for both the year ended 30 June 2008 and the year ended 30 June 2007, there have been no related party transactions entered into by the Company and its subsidiaries during the financial years ended 30 June 2007, 30 June 2008 and 30 June 2009 or in the period from 1 July 2009 to the date of this Document.

17. Litigation

17.1 Save as described in paragraph 17.2 below there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which White Young Green and /or White Young Green Group is aware), during the period covering the 12 months preceding the date of this Document which may have, or have had in the recent past significant effect on the financial position or profitability of White Young Green and / or White Young Green Group.

17.2 The Company's subsidiary, White Young Green Engineering Limited, is the principal employer in relation to a defined benefit occupational pension scheme (the ''Pension Scheme''). Under the terms of an agreement (the ''Settlement Agreement'') made on 11 July 2007 between White Young Green Engineering Limited and the then trustees of the Scheme, White Young Green Engineering Limited paid a lump sum to the Scheme in full and final settlement of all its liabilities under the Scheme. The current trustees of the Scheme (the ''Trustees'') have indicated that they intend to make an application to the Court to determine whether or not the Settlement Agreement is binding. In the event that the Trustees pursue the proposed Court application, White Young Green Engineering Limited would be named as a party to the proceedings. Leading Counsel has advised White Young Green Engineering Limited that more likely than not a Court would determine that the Settlement Agreement is binding so that White Young Green Engineering Limited has no further liability to the Scheme. However, in the event that a Court was to determine that the Settlement Agreement is not binding, it has been estimated that White Young Green Engineering Limited could have a further potential funding liability to the Scheme of between £3.5 million to £5.0 million.

18. Consent

Rothschild has given and has not withdrawn its written consent to the issue of this Document and the inclusion in this Document of its name and reference thereto in the forms and contexts in which they appear.

19. Documents available for inspection

Copies of the following documents may be inspected at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) during the period from the posting of this Document to the date of the EGM, and for at least 15 minutes before and during the EGM.

(a) the Memorandum and the Articles of Association of White Young Green;

(b) a draft of the New Articles;

(c) the memorandum and articles of association of Lloyds Banking Group, RBS and Fortis;

(d) the consolidated audited accounts of the Group for the three years ended 30 June 2009;

(e) the consolidated audited accounts of Lloyds Banking Group, RBS and Fortis for the two financial years ended 31 December 2008 and the interim accounts for the six months ended 30 June 2009;

(f) each of the documents incorporated by reference in this Document, being those documents listed in Part VIII of this Document;

(g) the Restructuring Agreements;

(h) the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009;

(i) the Deed of Transfer in respect of the One-Off Award;

(j) the existing service contracts and letters of appointment of the Directors;

(k) the letter confirming consent referred to in paragraph 18 of Part VII of this Document;

(l) the material contracts referred to in paragraph 7 of Part VII of this Document;

(m) copies of the irrevocable undertakings referred to in paragraph 26 of Part I of this Document; and

(n) this Document.

9 December 2009

PART VIII

INFORMATION INCORPORATED BY REFERENCE

The following information, available free of charge in printed format from White Young Green plc, Arndale Court, Headingley, Leeds LS6 2UJ (telephone: +44 (0)113 278 7111), is incorporated by reference into this Document.

Where any document listed below incorporates information from another document by reference, such information does not form part of this Document unless that other document is itself listed below.

Information incorporated by reference	Document reference	Page number(s) in the reference document
Consolidated Income Statement for year ended 30 June 2009	White Young Green plc Annual Report and Accounts 2009	65
Consolidated Income Statement for years ended 30 June 2008 and 30 June 2007	White Young Green plc Annual Report and Accounts 2008	50
Consolidated Balance Sheet as at 30 June 2009	White Young Green plc Annual Report and Accounts 2009	66
Consolidated Cash Flow Statement for year ended 30 June 2009	White Young Green plc Annual Report and Accounts 2009	67
Notes to the Consolidated Financial Statements as at, and for the year ended, 30 June 2009	White Young Green plc Annual Report and Accounts 2009	69 – 100
Independent Auditors' Report for year ended 30 June 2009		64

No incorporation of website information

The contents of the Group's website does not form part of this Document.

DEFINITIONS

"2006 Act"	the Companies Act 2006 (as amended)
"Act"	the Companies Act 1985 (as amended)
"Admission"	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by London Stock Exchange
"AIM Rules"	the AIM rules for companies published by London Stock Exchange
"Announcement"	the announcement made via a Regulatory Information Service by White Young Green on 30 October 2009 regarding the Restructuring
"Approved Share Option Scheme"	the White Young Green plc Approved Executive Share Option Scheme (1996)
""A" Preference Shares"	the "A" preference shares of £1 each in the capital of the Company following completion of the Restructuring, details of which are set out in paragraph 6 of Part III of this Document
"Articles" or "Articles of Association"	the current articles of association of the Company
""B" Preference Shares"	the "B" preference shares of £1 each in the capital of the Company following completion of the Restructuring, details of which are set out in paragraph 6 of Part III of this Document
"Business Day"	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for business in London
"Cancellation"	the cancellation of admission of Ordinary Shares to the Official List and from admission to trading on the London Stock Exchange's market for listed securities
"Capita Registrars"	a trading name of Capita Registrars Limited
"Closing Price"	the middle market closing price of White Young Green's Ordinary Shares as per the London Stock Exchange's Daily Official List
"Completion"	completion of the Restructuring in accordance with the terms of the Restructuring Agreements
"Concert Party" or "Whitewash Parties"	Lloyds Banking Group, Fortis and RBS
"CREST"	the computerised settlement system operated by Euroclear which facilitates the transfer of shares
"Currency Fluctuation"	any unhedged currency movements (from 8 December 2009, being the latest practicable date prior to the publication of the Document) in respect of White Young Green's debt that is to be converted into New Ordinary Shares pursuant to the Debt Conversion Agreement and is denominated in currencies other than sterling, as such debt is to be converted into sterling by applying the applicable currency rate on the day following the EGM
"Dealing Day"	a day on which the London Stock Exchange is open for the transaction of business
"Debt Conversion Agreement"	the debt conversion agreement dated 8 December 2009 between (amongst others) the Company, the Lenders and the trustee of the New Employee Benefit Trust, details of which are set out in paragraph 2 of Part III of this Document
"Deferred Shares" or "Deferred Ordinary Shares"	deferred ordinary shares of four pence each in the capital of the Company following completion of the Share Reorganisation, details of which are set out in paragraph 6 of Part III of this Document

"Directors" or "Board"	the members of the board of directors of White Young Green, as listed on page 6 of this Document
"Document" or "Circular"	this document
"EBITDA"	earnings before interest, tax, depreciation and amortisation, being profit before tax, plus any net finance charges payable (or less any net finance income receivable), plus depreciation and amortisation charges
"EBITA"	earnings before interest, tax and amortisation, being profit before tax, plus any net finance charges payable (or less any net finance income receivable), plus amortisation charges
"EBT Shares"	8,631,111 Post-Consolidation New Ordinary Shares and 2.4 million "B" Preference Shares
"Employee Share Participation Scheme"	White Young Green plc Employee Share Participation Scheme
"Employees"	employees of the Group
"Enlarged Issued Share Capital"	the issued ordinary share capital of White Young Green immediately following Completion
"EURIBOR"	Euro Interbank Offered Rate
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Executive Share Option Scheme"	White Young Green plc Executive Share Option Scheme (1996) comprising the Approved Share Option Scheme and the Unapproved Share Option Scheme
"Existing Agent"	Lloyds TSB Bank plc, in its capacity as the agent under the Existing Facilities Agreement
"Existing Facilities Agreement"	the facilities agreement dated 23 February 2007 between White Young Green plc and certain guarantors which are subsidiaries of the Company, and each of Lloyds TSB Bank plc (in its various capacities), Fortis Bank, UK Branch, and The Royal Bank of Scotland plc, granting White Young Green certain banking facilities, further details of which are set out in paragraph 7 of Part VII of this Document
"Existing Issued Ordinary Shares"	the ordinary shares of five pence each in the capital of White Young Green in issue at the date of this Document which, following the Share Reorganisation, will become ordinary shares of one penny each in the capital of White Young Green and which, following the Share Consolidation, will become ordinary shares of ten pence each in the capital of White Young Green
"Existing Issued Share Capital"	the issued ordinary share capital of White Young Green as at 8 December 2009 (being the latest practicable date prior to the publication of this Document)
"Existing Lending Facilities"	the bank facilities which are available to the Group pursuant to the Existing Facilities Agreement
"Existing Ordinary Shares"	the ordinary shares of five pence each in the capital of White Young Green in existence (whether issued or unissued) at the date of this Document which, following the Share Reorganisation, will become ordinary shares of one penny each in the capital of White Young Green and which, following the Share Consolidation, will become ordinary shares of ten pence each in the capital of White Young Green
"Existing Shareholders"	holders of Existing Issued Ordinary Shares

"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of White Young Green (or any adjournment thereof) to be held in connection with the Restructuring on 6 January 2010, notice of which is set out at the end of this Document
"Form of Proxy"	the form of proxy accompanying this Document for use in connection with the EGM
"Fortis"	Fortis Bank, a société anonyme incorporated in Belgium and registered as a foreign company in the UK (registered company number FC014598), acting through its UK Branch (registered branch number BR000357), or the relevant member of its group
"Framework Agreement"	the framework agreement dated 8 December 2009 between (amongst others) the Company, the Obligors, the Related Party Directors, the Related Party Managers, the Lenders, the Lender Nominees and the trustee of the New Employee Benefit Trust, details of which are set out in paragraph 1 of Part III of this Document
"FSA"	Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act
"FSMA" or "Financial Services and Markets Act"	the Financial Services and Markets Act 2000
"Group" or "White Young Green Group"	White Young Green, its subsidiaries and its subsidiary undertakings
"HMRC"	HM Revenue and Customs
"IFRS"	International Financial Reporting Standards
"Independent Directors"	Robert Barr and John Richardson
"Independent Shareholders"	the Shareholders, other than any of the Related Party Directors or Related Party Managers or any of the Lenders who beneficially holds any Ordinary Shares
"Initial Ordinary Share Issue"	the issue to the New Employee Benefit Trust of 8,631,111 Post-Consolidation New Ordinary Shares which forms part of the Issue to the New Employee Benefit Trust
"Initial "B" Preference Share Issue"	the issue to the New Employee Benefit Trust of the 2.4 million "B" Preference Shares with a nominal value of £2.4 million which forms part of the Issue to the New Employee Benefit Trust
"Investment Agreement"	the investment agreement dated 8 December 2009 between the Company, the Related Party Directors, the Related Party Managers, Ranelagh Nominees Limited, Fortis, West Register (Investments) Limited and the trustees of the New Employee Benefit Trust, details of which are set out in paragraph 5 of Part III of this Document
"Investor Consent"	the prior consent of the Investor Directors, whilst so appointed to the Board
"Investor Directors"	the two non-executive directors of the Board appointed from time to time by the holders of over 50 per cent. of the "A" Preference Shares and any one of them shall be an "Investor Director"
"Irrevocable"	a letter in the agreed form whereby the relevant Related Party Director or Related Party Manager gives an irrevocable commitment to each of the Lenders to, *inter alia*, abstain from voting on the Restructuring Resolutions at the EGM and to take all reasonable steps to procure that his respective associates abstain from voting on the Restructuring Resolutions at the EGM

"Irish Trust"	the Irish resident trust relating to the Employee Share Participation Scheme
"Irish Trustee"	Irish Pensions Trust Limited in its capacity as trustee of the Irish Trust
"Issue to the New Employee Benefit Trust"	the proposed issue of the EBT Shares to the New Employee Benefit Trust by White Young Green at the direction of the Lenders pursuant to the Restructuring Agreements
"Lenders"	Lloyds Banking Group, Fortis and RBS
"Lender Nominees"	the persons nominated by the Lenders, pursuant to the Debt Conversion Agreement, to receive and to hold Ordinary Shares and ''A'' Preference Shares, other than the trustee of the New Employee Benefit Trust
"LIBOR"	London Interbank Offered Rate
"Listing Rules"	the listing rules made pursuant to Part VI of the Financial Services and Markets Act
"Lloyds Banking Group" or "Lloyds"	Lloyds Banking Group plc or the relevant member of its Group
"London Stock Exchange" or "LSE"	London Stock Exchange plc
"London Stock Exchange's Daily Official List"	the daily official list of prices maintained by the London Stock Exchange
"Long Term Incentive Plan"	White Young Green plc Long Term Incentive Plan
"Matching Shares"	Ordinary Shares allocated without charge in proportion to the number of Partnership Shares held by an employee pursuant to the Share Incentive Plan
"Memorandum" or "Memorandum of Association"	the Memorandum of Association of White Young Green
"New Agent"	Lloyds TSB Bank plc
"New Articles" or "New Articles of Association"	the new articles of association of the Company, proposed to be adopted pursuant to the Restructuring Resolutions, a summary of the principal terms of which is at paragraph 6 of Part III of this Document
"New Employee Benefit Trust"	the new employee benefit trust established by the Company pursuant to a deed dated 9 November 2009 between the Company and RBC cees Trustee Limited
"New Ordinary Shares"	up to 299,934,417 new ordinary shares of one penny each in the capital of White Young Green to be issued pursuant to the Restructuring which, following the Share Consolidation, will become Post-Consolidation New Ordinary Shares
"New Security Trustee"	Lloyds TSB Bank plc, in its capacity as security trustee under the relevant security documents
"New Share Incentive Plans"	the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009
"Nomad" or "Nominated Adviser"	Arbuthnot Securities Limited, which has been appointed nominated adviser (as defined in the AIM Rules), subject to the Restructuring Resolutions being approved at the EGM and completion of the Restructuring
"Non-Restructuring Resolutions"	resolutions 6, 13 and 14 set out in the Notice of EGM

"Notice of EGM" or "Notice" or "Notice of Extraordinary General Meeting"	the notice of EGM set out at the end of this Document
"Official List"	the official list of the UK Listing Authority
"Obligors"	the Company, WYG Group Limited, WYG Engineering Limited, WYG Management Services Limited, WYG Environment Planning Transport Limited, WYG International Limited, WYG International Projects Limited, WYG Ireland Limited, WYG Environmental and Planning (Ireland) Limited, WYG Nolan Ryan Tweeds Limited, WYG Engineering (Ireland) Limited, WYG Engineering (Northern Ireland) Limited, WYG Environmental & Planning (Northern Ireland) Limited, WYG Nolan Ryan Tweeds (Northern Ireland) Limited, WYG International SP Z.O.O., WYG Consulting SP Z.O.O. and PDSB SP Z.O.O.
"One-Off Award"	the award over Post-Consolidation New Ordinary Shares proposed to be made to Mike McTighe, the principal provisions of which are more particularly described in paragraph 2 of Part IV of this Document
"Orderly Markets Comfort Letter"	the comfort letter dated 8 December 2009, given by the Lenders to the Company regarding the Lenders' dealings in Ordinary Shares during the 12 month period following the first anniversary of Completion
"Ordinary Shares"	prior to the completion of the Share Reorganisation, ordinary shares of five pence each in the capital of White Young Green and, following completion of the Share Reorganisation, ordinary shares of one penny each in the capital of White Young Green and, following the Share Consolidation, ordinary shares of ten pence each in the capital of White Young Green
"Panel"	The Panel on Takeovers and Mergers
"Partnership Shares"	Ordinary Shares paid for from deductions made from an employee's pre-tax salary pursuant to the Share Incentive Plan
"Placing to the Lenders" or "Placing"	the proposed placing of the Placing Shares to the Lenders, following the Share Consolidation, pursuant to the Debt Conversion Agreement and the Framework Agreement
"Placing Price"	the price per Placing Share calculated on the date of Completion (prior to the Share Consolidation) by applying the Placing Price Calculation, expected to be approximately 7.6 pence per Placing Share, but subject to adjustment as a result of the Currency Fluctuation and the Share Capital Fluctuation
"Placing Price Calculation"	the amount of the debt to be converted into New Ordinary Shares (prior to the Share Consolidation) at the date of Completion pursuant to the Debt Conversion Agreement, being approximately £22.9 million (but subject to adjustment as a result of the Currency Fluctuation) divided by the total number of Ordinary Shares in issue at the date of Completion, currently 52,964,456 Ordinary Shares (but subject to adjustment as a result of the Share Capital Fluctuation)
"Placing Shares"	the 299,934,417 New Ordinary Shares (which will be 29,993,441 Post-Consolidation New Ordinary Shares) to be issued pursuant to the Placing (each being a "Placing Share")

"Post-Consolidation Existing Ordinary Shares"	the ordinary shares of ten pence each held in the Company, which prior to the Share Consolidation were Existing Issued Ordinary Shares (but which, if the Share Consolidation is not approved by Shareholders at the EGM, will be ordinary shares of one penny each)
"Post-Consolidation Ordinary Shares"	the Post-Consolidation Existing Ordinary Shares and the Post-Consolidation New Ordinary Shares
"Post-Consolidation New Ordinary Shares"	the ordinary shares of ten pence each held in the Company, which prior to the Share Consolidation were New Ordinary Shares (but which, if the Share Consolidation is not approved by Shareholders at the EGM, will be ordinary shares of one penny each)
"Preference Dividend"	the preference dividend on the "A" Preference Shares and the "B" Preference Shares payable in accordance with the New Articles, further details of which are set out in paragraph 6 of Part III of this Document
"Preference Shares"	the "A" Preference Shares and the "B" Preference Shares
"Proposals"	the Restructuring, as more fully described in Part I of this Document, the Related Party Transactions, the Waiver and the Cancellation and Admission
"RBS" or "The Royal Bank of Scotland"	The Royal Bank of Scotland plc or the relevant member of its group
"Redemption Premium"	the redemption premium on the "A" Preference Shares payable in accordance with the New Articles, further details of which are set out in paragraph 6 of Part III of this Document
"Refinanced Lending Facilities"	the lending facilities which would be made available to the Group pursuant to the Restructured Facilities Agreement, conditional on (*inter alia*) the passing of all the Restructuring Resolutions and as more fully described in paragraph 3 of Part III of this Document
"Registrars"	Capita Registrars
"Regulatory Information Service"	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
"Related Party Directors"	Paul Hamer, David Wilton, Graham Olver and Mike McTighe
"Related Party Managers"	Ray Moore and David Crichton-Miller
"Related Party Transactions"	the transactions set out at paragraph 20 of Part I of this Document
"Related Party Transactions Resolutions"	have the same meaning as the Restructuring Resolutions
"Remuneration Committee"	the remuneration committee of the Board
"Resolutions"	the Restructuring Resolutions and the Non-Restructuring Resolutions
"Restructured Facilities Agreement"	the agreement dated 8 December 2009 between the Company, the Obligors and the Lenders, further details of which are set out in paragraph 3 of Part III of this Document
"Restructuring"	the proposed restructuring of the debt and share capital of the Company through, *inter alia*, the Share Reorganisation, the conversion of approximately £22.9 million of debt in exchange for up to 299,934,417 New Ordinary Shares, the conversion of £30 million of additional debt in exchange for "A" Preference Shares and "B" Preference Shares and the Share Consolidation, as more particularly described in Part I of this Document

"Restructuring Agreements"	the Framework Agreement, the Debt Conversion Agreement, the Investment Agreement, the New Articles, the Security Documents, the Restructured Facilities Agreement, the Orderly Markets Comfort Letter and the New Share Incentive Plans
"Restructuring Resolutions"	resolutions 1, 2, 3, 4, 5, 7, 8, 9, 10, 11 and 12 set out in the Notice of EGM
"Rothschild" or "Sponsor"	N M Rothschild & Sons Limited
"SDRT"	stamp duty reserve tax
"Security Documents"	the security documents entered into by the Obligors, further details of which are set out in paragraph 4 of Part III of this Document
"Shares"	the Post-Consolidation Ordinary Shares and the Preference Shares
"Share Capital Fluctuation"	any change in the issued number of Ordinary Shares between the date of the Document and Completion as a result of the exercise of any share options under the Share Incentive Schemes
"Share Consolidation"	the consolidation of 10 Existing Ordinary Shares and New Ordinary Shares for one Post-Consolidation Ordinary Share, as more particularly described in paragraph 11 of Part I of this Document
"Shareholders"	holders of Ordinary Shares, each individually being a "Shareholder"
"Share Incentive Plan"	White Young Green plc Share Incentive Plan
"Share Incentive Schemes"	the share incentive schemes currently operated by White Young Green, being the Executive Share Option Scheme, the Employee Share Participation Scheme, the Long Term Incentive Plan and the Share Incentive Plan
"Share Reorganisation"	the sub-division and re-classification of each Existing Ordinary Share into one ordinary share of one penny and one deferred share of four pence on the basis set out in Resolution 1 of the Restructuring Resolutions, further details of which are set out in paragraph 10 of Part I of this Document
"SIP Trust"	the UK resident trust relating to the Share Incentive Plan
"SIP Trustee"	Yorkshire Building Society in its capacity as trustee for the SIP Trust
"Takeover Code" or "Code"	The City Code on Takeovers and Mergers, as amended from time to time
"Unapproved Share Option Scheme"	the White Young Green plc Unapproved Executive Share Option Scheme (1996)
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	the Financial Services Authority, in its capacity as competent authority under the Financial Services and Markets Act
"Waiver Resolution"	resolution 8 to be considered and, if thought fit, passed by Shareholders as part of the Restructuring Resolutions at the EGM relating to Rule 9 of the Takeover Code
"Waiver"	the waiver by the Panel of the obligations which would otherwise arise on the Lenders under Rule 9 of the Takeover Code on Completion of the Restructuring
"White Young Green" or "the Company"	White Young Green plc, a public company incorporated in England with registered number 1869543 and whose registered office is at Arndale Court, Headingley, Leeds LS6 2UJ

"White Young Green Joint Share Ownership Plan 2009" or "JSOP"	the plan, the principal provisions of which are more particularly described in paragraph 1 of Part IV of this Document, to be proposed for adoption by way of Shareholder approval at the EGM
"White Young Green Performance Share Plan 2009" or "PSP"	the plan, the principal provisions of which are more particularly described in paragraph 3 of Part IV of this Document, to be proposed for adoption by way of Shareholder approval at the EGM
"White Young Green Shareholders" or "Shareholders"	holders of Ordinary Shares, each individually being a "Shareholder"
"White Young Green Share Incentive Schemes Participants"	holders of options and awards under the Share Incentive Schemes
"Working Capital Facility Agreements"	the agreements pursuant to which the Working Capital Facilities detailed in paragraph 3 of Part III are made available to certain of the Obligors

For the purposes of converting Euros to sterling throughout this Document, unless otherwise stated, an exchange rate of €1.107 : £1 has been used.

White Young Green plc

(Incorporated under the Companies Act 1948 and registered in England and Wales with registered number 1869543)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of White Young Green plc (the ''**Company**'') will be held at the Village Hotel, 186 Otley Road, Headingley, Leeds LS16 5PR on 6 January 2010 at 2.00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1, 2, 3, 4, 8, 9, 10, 11, 13 and 14 will be proposed as ordinary resolutions and resolutions 5, 6, 7 and 12 will be proposed as special resolutions. Resolutions 8 and 11 will be taken on a poll of the Independent Shareholders (as defined in the circular to shareholders of the Company, dated 9 December 2009, of which this notice forms a part (the ''**Circular**'')) as required by the City Code on Takeovers and Mergers (the ''**Code**''). For the avoidance of doubt, the expression ''Restructuring Resolutions'' shall have the meaning set out in the Circular.

Resolution 1: Ordinary Resolution – Sub-division of existing ordinary shares of five pence each in the capital of the Company

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this notice of Extraordinary General Meeting (''**Notice**''):

(a) each of the existing authorised but unissued ordinary shares of five pence each in the capital of the Company (''**Unissued Existing Ordinary Shares**''), shall be sub-divided into and reclassified as new ordinary shares of one penny each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association of the Company to be adopted pursuant to Resolution 7 below (''**New Articles**''); and

(b) each of the existing issued ordinary shares of five pence each in the capital of the Company (''**Issued Existing Ordinary Shares**''), shall be sub-divided into and re-classified as one new ordinary share of one penny each (''**New Existing Ordinary Share**''), each New Existing Ordinary Share having the rights and being subject to the restrictions set out in the New Articles, and one deferred share of four pence each in the capital of the Company (''**New Deferred Share**''), each such New Deferred Share having the rights and being subject to the restrictions set out in the New Articles.

Resolution 2: Ordinary Resolution – Increase of authorised share capital

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the authorised share capital of the Company be and is hereby increased from £5,000,000 to £36,000,000 by the creation of:

(a) 100,000,000 new ordinary shares of one penny each (''**New Ordinary Shares**''), such shares having the rights and being subject to the restrictions set out in the New Articles;

(b) 27,600,000 new ''A'' preference shares of £1 each (''**A Preference Shares**''), such shares having the rights and being subject to the restrictions set out in the New Articles; and

(c) 2,400,000 new ''B'' preference shares of £1 each (''**B Preference Shares**''), such shares having the rights and being subject to the restrictions set out in the New Articles.

Resolution 3: Ordinary Resolution – Approval of placing price for the placing to the lenders

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the issue of the New Ordinary Shares for cash as described in the Circular at a discount to the Closing Price (as defined in the Circular) on 29 October 2009 (being the last Business Day before the Announcement (as defined in the Circular)) be and is hereby approved for the purposes of Rule 9.5.10R of the Listing Rules. The discount is likely to be in the region of 35.0 per cent.

Resolution 4: Ordinary Resolution – Authority to allot shares

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, in addition to the authority pursuant to section 80 of the Companies Act 1985 granted at the annual general meeting of the Company held on 10 December 2008 which shall continue in full force and effect, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum amount of £32,999,344 as follows:

(a) 299,934,417 New Ordinary Shares in connection with the Restructuring (as defined in the Circular);

(b) 27,600,000 ''A'' Preference Shares in connection with the Restructuring (as defined in the Circular); and

(c) 2,400,000 ''B'' Preference Shares in connection with the Restructuring (as defined in the Circular).

provided that such authority shall expire six months after the date of the passing of this resolution, but so that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or such rights to be granted after such expiry, and the Directors may allot such shares and grant such rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Resolution 5: Special Resolution – Disapplication of pre-emption rights

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the Directors of the Company be and are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by resolution 4 above, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that this power shall be limited to the allotment for cash of 299,934,417 New Ordinary Shares, 27,600,000 ''A'' Preference Shares and 2,400,000 ''B'' Preference Shares in connection with the Restructuring (as defined in the Circular) and provided that such authority shall expire six months after the date of the passing of this resolution, but so that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or such rights to be granted after such expiry, and the Directors may allot such shares and grant such rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Resolution 6: Special Resolution – Amendment of Articles of Association of the Company

THAT, the current articles of association of the Company (''**Current Articles**'') be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Current Articles.

Resolution 7: Special Resolution – Adoption of New Articles of Association of the Company

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the articles of association of the Company produced to the meeting marked ''**New Articles**'' and initialled, for identification purposes only, by the chairman of the meeting (a summary of which is contained in the Circular) be and are hereby adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Current Articles.

Resolution 8: Ordinary Resolution – Takeover Panel Rule 9 Waiver

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the waiver granted by the Panel on Takeovers and Mergers (the **''Panel**''), on the terms described in the Circular, of the obligation that would otherwise arise on the Lenders under Rule 9 of the Takeover Code (as defined in the Circular) to make a general offer to the shareholders of the Company for the entire issued and to be issued share capital of the Company, as a result of the allotment and issue of up to 299,934,417 New Ordinary Shares to the Lenders pursuant to the Restructuring (as defined in the Circular) be and is hereby approved by the Independent Shareholders (as defined in the Circular).

Resolution 9: Ordinary Resolution – Related Party Transactions

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the implementation of the Investment Agreement, the Framework Agreement and all ancillary documents to be entered into pursuant to the Investment Agreement and the Framework Agreement (each as defined in the Circular), by the Related Party Directors and Related Party Managers (as defined in the Circular), the issue of 8,631,111 Post-Consolidation New Ordinary Shares and 2,400,000 ''B'' Preference Shares to the New Employee Benefit Trust (as defined in the Circular) by the Company, and the grant of awards to the Related Party Directors (excluding Mike McTighe) and the Related Party Managers under the White Young Green Joint Share Ownership Plan 2009 and / or the White Young Green Performance Share Plan 2009 (each as defined in the Circular) and the grant of the One-Off Award (as defined in the Circular) to Mike McTighe being related party transactions for the purposes of the Listing Rules (as defined in the Circular) be and are hereby approved.

Resolution 10: Ordinary Resolution – Approval of the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009 and the One-Off Award

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the Directors be and are hereby authorised:

(a) to adopt and establish the White Young Green Joint Share Ownership Plan 2009 (as defined in the Circular), the principal terms of which are summarised in paragraph 1 of Part IV of the Circular and which shall be constituted by the rules produced in draft to the meeting and for the purpose of identification initialled by the chairman of the meeting and to do all such things as may be necessary or desirable to operate such plan;

(b) to establish schedules to or further plans based on the White Young Green Joint Share Ownership Plan 2009 but modified to take account of local taxes, exchange control or securities laws in overseas territories, provided that any shares made available under such schedules or further plans are treated as counting against any limits on individual or overall participation under the White Young Green Joint Share Ownership Plan 2009;

(c) to adopt and establish the White Young Green Performance Share Plan 2009 (as defined in the Circular), the principal terms of which are summarised in paragraph 3 of Part IV of the Circular and which shall be constituted by the rules produced in draft to the meeting and for the purpose of identification initialled by the chairman of the meeting and to do all such things as may be necessary or desirable to operate such plan;

(d) to establish schedules to or further plans based on the White Young Green Performance Share Plan 2009 but modified to take account of local taxes, exchange control or securities laws in overseas territories, provided that any shares made available under such schedules or further plans are treated as counting against any limits on individual or overall participation under the White Young Green Performance Share Plan 2009; and

(e) to establish the arrangements for Mike McTighe pursuant to which Mike McTighe will be granted the One-Off Award (as defined in the Circular), the principal terms of which are summarised in paragraph 2 of Part IV of the Circular and which shall be constituted by the deed of transfer produced to the meeting and for the purpose of identification initialled by the chairman of the meeting and to do all such things as may be necessary or desirable to give effect to the grant of the One-Off Award to Mike McTighe.

Resolution 11: Ordinary Resolution – Approval under Rule 16 of the Code

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, for the purposes of Rule 16 of the Code, the proposed terms of the White Young Green Joint Share Ownership Plan 2009, the White Young Green Performance Share Plan 2009 and the One-Off Award, summaries of each of which are contained in the Circular, be and are hereby approved, notwithstanding that such arrangements are not extended to all shareholders of the Company.

Resolution 12: Special Resolution – Cancellation of Listing and move to AIM

THAT, conditional upon the passing of the other Restructuring Resolutions set out in this Notice, the cancellation of the listing of the Company's shares on the Official List (as defined in the Circular) and the transfer to AIM (as defined in the Circular) of the entire issued ordinary share capital of the Company be and is hereby approved.

Resolution 13: Ordinary Resolution – Share Consolidation

THAT, conditional upon the passing of the Restructuring Resolutions set out in this Notice, every ten of the Existing Ordinary Shares (as defined in the Circular) (for the avoidance of doubt following the sub-division and reclassification referred to in resolution 1 above) and New Ordinary Shares (as defined in Resolution 2 above), be and are hereby consolidated into one ordinary share of ten pence each in the capital of the Company, such shares having the rights and being subject to the restrictions set out in the New Articles to be adopted pursuant to resolution 7 above.

Resolution 14: Ordinary Resolution – Borrowing Powers

THAT the infringement by the directors of the Company of their duties to restrict borrowings of the Company, as set out in Article 110.2 of the Current Articles, is hereby ratified and waived and the excess borrowing is approved.

GRAHAM OLVER, SECRETARY

Arndale Court
Headingley
Leeds LS6 2UJ

9 December 2009

1. A shareholder entitled to attend and vote may appoint another person, whether a shareholder or not, as his / her proxy to attend and vote instead of him / her. A proxy need not be a member of the Company. A form of proxy is enclosed with this Notice. The form of proxy and any authority under which it is executed, to be valid, must be lodged at Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the meeting.

   Completion and return of the form of proxy and any authority under which it is executed will not preclude a shareholder from attending and voting at the meeting should he or she subsequently decide to do so. A shareholder is not entitled to attend and vote at the meeting (whether in person or by proxy) unless his / her name is entered in the register of members 48 hours before the time for holding the meeting and if the meeting is adjourned, a shareholder is not entitled to attend and vote at the meeting (whether in person or by proxy) unless his / her name is entered in the register of members 48 hours before the time for holding the meeting.

   A proxy may also be appointed by registered shareholders by logging onto www.capitashareportal.com. Full details of the procedures are given on the website. In the case of CREST members, a proxy can be appointed by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

2. CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so 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 actions on their behalf.

   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 order with Euroclear UK & Ireland Limited's (formally CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 2.00 p.m. on 4 January 2010. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the Crest Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed by CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and Ireland Limited does not make special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s)), to procure that his CREST sponsor or voting service provider(s) takes(s) such action as shall be necessary to ensure that a message is transmitted by means to the CREST system by a 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.

3. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (''nominated persons''). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

4. Any member attending the general meeting is entitled, pursuant to section 319A of the Companies Act 2006 to ask any question relating to the business being dealt with at the meeting. The Company will answer any such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

5. The following documents will be available for inspection at the registered office of the Company and at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) from the date of this Notice until the conclusion of the meeting and on 6 January 2010 at the Village Hotel, 186 Otley Road, Headingley, Leeds LS16 5PR for at least 15 minutes before the meeting until the conclusion of the meeting:

   (a) copies of the current and proposed Articles of Association proposed to be adopted pursuant to Resolution 7 of the Notice;

   (b) copies of the White Young Green Joint Share Ownership Plan 2009 and the White Young Green Performance Share Plan 2009 proposed to be adopted pursuant to Resolution 10 of the Notice; and

   (c) copies of the Deed of Transfer pursuant to which the One-Off Award is proposed to be granted pursuant to Resolution 10 of the Notice.

6. From the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at www.wyg.com:

   (a) the matters set out in this notice of meeting;

   (b) the total numbers of shares in the Company and shares of each class, in respect of which members are entitled to exercise voting rights at the meeting; and

   (c) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class.

   Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

7. In order to attend and vote at this meeting you must comply with the procedures set out in notes 1 and 2 inclusive by the dates (if appropriate) specified in those notes.

8. The right of members to vote at the Extraordinary General Meeting is determined by reference to the register of members. As permitted by section 360B(3) of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6.00 p.m. on 4 January 2010 in order to be entitled to attend and vote at the Extraordinary General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

9. The total number of ordinary shares of 5 pence each in issue as at 8 December 2009, the last practicable day before printing this Document was 52,964,456 ordinary shares and the total level of voting rights was 52,964,456.

RF64232

Printed by Royle Financial Print