Menzies
JOHN MENZIES PLC

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Company No. SC34970

1 April 2005

Dear Shareholder,

I have pleasure in sending you notice of this year's Annual General Meeting of John Menzies plc, which will be held at the Caledonian Hilton Hotel, Princes Street, Edinburgh on Thursday 28 April 2005 at 12.15pm.

The business to be considered at the meeting is set out in detail in the enclosed Notice of Meeting. In addition, I would like to draw your attention to the following information which gives additional background to several of the resolutions proposed:

Resolution 3: Appointment of Directors

Iain Robertson

As Iain has been appointed to the Board since the last Annual General Meeting he comes up for election at this meeting. He was appointed a non-executive director on 1 November 2004, and if elected will take over as Chairman of the Audit Committee. He was appointed a director of The Royal Bank of Scotland Group plc in 1993, becoming non-executive in 2003, and retires from their Board in April 2005. He is also Chairman of British Empire Securities and General Trust plc, Cairn Capital Ltd, and BT Scotland. He is a chartered accountant, age 59.

Iain was selected against an agreed specification using external consultants and on the recommendation of the Nominations Committee, and brings to the Board substantial experience.

The following four directors retire by rotation and come up for re-election at this meeting.

Paul Dollman

Paul was appointed as Group Finance Director in 2002. A chartered accountant, he was previously Finance Director for William Grant & Sons Ltd, and has also held senior financial positions with Inveresk PLC, Maddox Group plc and Clydesdale Retail Group. He is 48.

Ian Harrison

Ian was appointed a non-executive director in 1987 and is Chairman of the Remuneration Committee. He is a director of Record Currency Management Ltd, an institutional investment management company specialising in currency exposure management for pension funds worldwide. He brings particular skills relating to pension investment and currency management, as well as being a member of the business' founding families which in total hold some 40% of the ordinary share capital of the Company. He is 48.

Dermot Jenkinson

Dermot was appointed to the Board in 1986 where he held various executive responsibilities prior to assuming a non-executive role in 1999. He is co-founder and Chairman of beCogent Ltd, a contact centre and related consultancy business, and is a director of a number of other private companies. He is a member of the business' founding families which in total hold some 40% of the ordinary share capital of the Company. He is 50.

Michael Walker

Michael joined the Board in 1995 and was appointed senior independent non-executive director in 2003. He is Chairman of solicitors Maclay Murray & Spens, a director of Securities Trust of Scotland plc, and is also the current Chairman-Elect of the Board of Lex Mundi, a leading global association of independent law firms. He brings to the Board a breadth and depth of commercial skills, knowledge, experience and contacts and the objectivity in both counsel and judgement that is required of a senior independent non-executive director. Although he entered his tenth year of service on the Board in November 2004, the Board has determined that he is independent for the purposes of the Combined Code and that his partnership in Maclay Murray & Spens, who are lawyers to the Company, does not constitute a material business relationship. He is 52.

Each of these four directors has undergone a formal performance evaluation and the performance of each continues to be effective and to demonstrate commitment to their role including commitment of time for board and committee meetings and their other duties.

The Board recommends to shareholders the election of Iain Robertson and the re-election of Paul Dollman, Ian Harrison, Dermot Jenkinson and Michael Walker.

New Executive Share Plans

Following an in-depth review of our remuneration and incentive structures, we are recommending the adoption of three new share incentive plans. The main features are set out below, with additional details in the attached Appendix.

Resolution 7: Adoption of a new Performance Share Plan

The John Menzies Executive Option Scheme was adopted by shareholders in 2000, and expires this year. Following a thorough review by the Remuneration Committee, the Board is recommending that a new Performance Share Plan ("PSP") be adopted to replace the Option Scheme as part of the Company's policy of ensuring that its remuneration practices are aligned to shareholders' interests and remain competitive. It is intended that this Plan be used for executive directors, although it may be extended to certain key executives.

The main features of the PSP are as follows:

- Annual grants of conditional shares which vest if the Company's 3-year Total Shareholder Return ("TSR") outperforms the FTSE 250 Index TSR. For the first cycle of the plan the following vesting conditions are proposed:
    - No shares vest unless John Menzies' 3-year TSR performance beats the Index's TSR
    - 100% of shares vest for 3-year TSR performance of 30% above the Index's TSR
    - Pro rata vesting in between

  The Remuneration Committee will review the appropriateness of these performance conditions at the beginning of each cycle.
- Initially, the following annual grants are proposed:
    - Chief Executive: 45,000 shares
    - Other Executive Directors: 30,000 shares

  The number of shares would be reviewed from time to time, taking account of total remuneration vs. market, share price, mix of cash and shares, etc.. We would not expect to change each year the number of shares granted.
- An amount equal to net dividends accrued over the performance period will be paid at vesting but only on shares which actually vest.

The use of TSR % outperformance is proposed for this executive directors' Plan because it is more aligned with shareholder interests, capturing share price growth plus dividends relative to an appropriate benchmark. We believe that the FTSE 250 Index provides a reasonable benchmark for the Company's performance. We have estimated that a 3-year TSR % outperformance of the FTSE 250 Index of 30% would, on average, represent around upper quintile performance. The overall Plan will be more robust than the existing Option Scheme.

Resolution 8: Adoption of a new Bonus Co-Investment Plan

The Remuneration Committee wishes to encourage the executive directors to invest their bonus into the Company's shares. To support this we are proposing to introduce a bonus co-investment plan with the opportunity for participants to earn matching shares after 3 years based on earnings per share ("EPS") growth. We believe that EPS is an appropriate measure of financial performance which would complement the use of relative TSR in the new PSP. This Plan may also be extended to certain key executives.

The main features of the proposed Bonus Co-Investment Plan are as follows:

- Voluntary co-investment of up to 50% of any earned bonus into John Menzies shares ("Invested Shares").
- Invested Shares must be held for a period of 3 years.
- Opportunity to earn up to 2 matching shares for each Invested Share based on 3-year real EPS growth.
- Number of matching shares to Invested Shares for the first cycle to be based on a straight line from no matching shares for EPS growth at or below RPI plus 3% p.a. to 2 matching shares for EPS growth at or above RPI plus 8% p.a.. The Remuneration Committee will review the appropriateness of these performance conditions at the beginning of each cycle.
- Matching shares would be forfeited if related Invested Shares were not retained for 3 years or if the executive resigns.
- An amount equal to net dividends accrued over the performance period will be paid at vesting but only on shares which actually vest.

To dovetail the 3-year cycles with the ending of option grants and to facilitate transition, the Remuneration Committee is proposing to allow voluntary co-investment of up to 50% of any bonus earned for the 2004 financial year, subject to the approval of the overall Plan at the AGM.

Resolution 9: Adoption of a new Long Term Incentive Scheme

The Board is recommending the adoption of a new Long Term Incentive Scheme ("LTIS") to be used for its executives below director level, again in place of the current Share Option Plan.

The main features of this LTIS are as follows:

- Annual grants of conditional shares which vest depending on the Company's 3-year EPS performance. For the first cycle of the LTIS the following vesting conditions are proposed:
    - No shares vest unless John Menzies' 3-year real EPS growth exceeds 3% p.a.
    - 100% of shares vest for 3-year real EPS growth of 8% p.a.
    - Pro rata vesting in between

  The number of shares would be reviewed from time to time, taking account of total remuneration vs. market, share price, mix of cash and shares, etc.. The Remuneration Committee will review the appropriateness of these performance conditions at the beginning of each cycle.
- An amount equal to net dividends accrued over the performance period will be paid at vesting but only on shares which actually vest.

For each of the above three proposed plans, there will be no re-testing. It is our intention that the proposed plans use shares purchased in the market through the Company's employee benefit trust rather than new-issue shares.

Shareholding guidelines are also being introduced for executive directors.

Resolution 10: Authority to allot shares for cash, free from pre-emption rights

This resolution proposes, on the same basis as last year, to disapply pre-emption rights of shareholders on the allotment of equity securities for cash up to a limit of 5% of the issued ordinary share capital, being shares to an aggregate nominal value of £722,042. The authority under this resolution would expire on the date of the next Annual General Meeting or 27 July 2006, whichever is earlier.

There is no present intention to issue any such shares except as required under the Company's employee share schemes.

Resolutions 11 and 12: Authority for the Company to purchase its own shares

The directors consider that it would be advantageous for the Company to renew the authority to purchase its own ordinary and 9% cumulative preference shares in case the opportunity presents itself where such course of action would be in the best interests of shareholders generally.

Under the terms of these special resolutions the maximum number of shares to be purchased is 5,776,343 ordinary shares (representing 10% of the issued ordinary share capital) and 1,394,587 9% cumulative preference shares. The minimum price payable is the par value of 25p per ordinary share and £1 per 9% cumulative preference share. The maximum price payable is an amount equal to 105% of the average middle market quotations in respect of the ordinary shares and 110% of the average middle market quotations in respect of the 9% cumulative preference shares (both as shown in the London Stock Exchange Daily Official List) for the five business days prior to the date of purchase.

Such authority will only be exercised where in the opinion of the Board it is likely to result in an increase in earnings per share and would be in the best interests of shareholders generally. Any shares purchased by the Company under this authority will be cancelled, unless the shares are purchased by the Company to hold as treasury shares.

These authorities would expire on the date of the next Annual General Meeting or 27 October 2006, whichever is earlier.

Proxy Card

Enclosed is a form of proxy which covers all resolutions to be proposed at the Annual General Meeting and is for use by holders of ordinary shares. Completed forms of proxy should be returned as soon as possible but in any event no later than 12.15pm on Tuesday 26 April 2005. Completion of a proxy will not prevent you from attending and voting at the Annual General Meeting if you so wish.

Yours sincerely,

William Thomson

William Thomson, Chairman

SUMMARY OF THE PRINCIPAL FEATURES OF THE JOHN MENZIES PLC 2005 PERFORMANCE SHARE PLAN

Introduction

The John Menzies plc 2005 Performance Share Plan ("PSP") offers executives the opportunity to benefit from the success of the Company, as measured through the Company's Total Shareholder Return ("TSR") performance relative to that of the FTSE 250 Index, through the award of shares.

Shares will vest at the end of three years if TSR reaches targets set by the Board.

Eligibility

Executive directors and senior employees of the Company or its subsidiaries selected by the Remuneration Committee are eligible to participate in the PSP.

Grants of Awards

The Board may grant to selected executives ("Participants") an award of conditional shares under the rules of the PSP. An Award Certificate will set out the number of conditional shares being awarded and the Performance Targets which will determine the extent to which the number of shares stated in the Award will vest.

Performance Targets

The Performance Targets will normally relate to a period of three financial years ("the Performance Period"), and will be challenging criteria normally based on TSR performance relative to the TSR of the FTSE 250 Index. The Performance Targets for the first period shall be:

Percentage growth in the Company's TSR during the three financial years to December 2007	Percentage award vesting
Equal to or less than the TSR for the FTSE 250 Index	Nil
Greater than the TSR for the FTSE 250 Index by 30% or more	100%
Greater than the TSR for the 250 Index but less than 30% greater	To be calculated on a straight line basis

There will be no retesting of Performance Targets.

Commencement, Duration and Amendment of the PSP

The first award under the PSP will be made within 42 days after the adoption of the PSP by shareholders in General Meeting. No award may be made more than 10 years after the adoption of the PSP.

The PSP may be altered at any time provided that no alteration is made which adversely affects the Participants without their consent, and no amendments to the advantage of Participants or to the main terms of the PSP may be made without shareholder consent.

Vesting of Shares

The Remuneration Committee will notify each Participant as soon as practicable after the end of the Performance Period of the extent to which the Performance Targets have been met and the number of shares which will be awarded or vest (if any) for the Performance Period. The Company will thereafter procure the transfer of the appropriate number of these vested shares which will represent the post-tax value of this award.

Dividends

The Company will pay to each Participant an amount equal to the net dividends which would have been paid during the Performance Period on those shares which actually vest.

Loss of or Limitations on Rights

If a Participant leaves the employment of the Group, rights on all shares held under the PSP shall immediately lapse, although special rules apply on leaving due to ill health, retirement, redundancy, disposal/change of control of the Company, death, or in other circumstances where the Remuneration Committee deems it appropriate. Under these special rules, the Committee may determine whether and if so how many shares will vest, taking into account the Performance Targets and how much of the Performance Period has elapsed.

No share will be transferred to a Participant where any statutory, regulatory or other legal provision restricts the Company or the executive from dealing in shares or while his employment is suspended on grounds of gross misconduct.

No award may be assigned or transferred (except to personal representatives on the Participant's death).

Other Matters

PSP Limits

Although the Company will normally seek to use existing shares held by an employee benefit trust for the PSP, it may issue shares. In such case, the total number of new shares which the Company may allot to satisfy awards is limited to 10% of the issued share capital of the Company including all new shares allotted under any other employee share scheme in the 10 years up to and including the allotment of such new shares, or 5% in 10 years for any discretionary executive scheme.

No Participant may be granted an award of more than 100,000 conditional shares in any year.

Rights

The inclusion of a Participant in this Scheme or the terms of an Award shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Group for any reason whatsoever (including wrongful or unfair dismissal), or from the lapsing of any share awards. Awards will not be pensionable.

Variation of Share Capital

The number of shares in any award may be adjusted on any variation of the share capital of the Company in such manner as the Remuneration Committee deems to be fair and reasonable.

Change of Control

In the event of a takeover of the Company, awards will vest immediately subject to determination by the Remuneration Committee of the extent to which the Performance Targets have been met as at the date of change of control.

SUMMARY OF THE PRINCIPAL FEATURES OF THE JOHN MENZIES PLC 2005 LONG TERM INCENTIVE SCHEME

Introduction

The John Menzies plc 2005 Long Term Incentive Scheme ("LTIS") offers executives the opportunity to benefit from the success of the Company, as measured through growth in headline earnings per share ("EPS"), through the award of shares.

Shares will vest at the end of three years if EPS reaches targets set by the Board.

Eligibility

Selected senior executives of the Company or its subsidiaries are eligible to participate in the LTIS.

Grants of Awards

The Board may grant to selected executives ("Participants") an award of conditional shares under the rules of the LTIS. An Award Certificate will set out the number of conditional shares being awarded and the Performance Targets which will determine the extent to which the number of shares stated in the Award will vest.

Performance Targets

Performance Targets will normally relate to a period of three financial years ("the Performance Period"), and will be challenging criteria normally based on real growth in earnings per share. The Performance Targets for the first period shall be:

Percentage growth in the Company's EPS during the three years to 31 December 2007	Percentage award vesting
RPI + 3%p.a. or less	Nil
RPI + 8%p.a. or more	100%
Between RPI + 3%p.a. and RPI + 8%p.a.	To be calculated on a straight line basis

There will be no retesting of Performance Targets.

Commencement, Duration and Amendment of the LTIS

The first award under the LTIS will be made within 42 days of the adoption of the LTIS by shareholders in General Meeting. No award may be made more than 10 years after the adoption of the LTIS.

The LTIS may be altered at any time provided that no alteration is made which adversely affects the Participants without their consent, and no amendments to the advantage of Participants or to the main terms may be made without shareholder consent.

Vesting of Shares

The Board will notify each Participant after the announcement of the Preliminary Results for the last financial year in the Performance Period of the extent to which the Performance Targets have been met and the number of shares which will be awarded or vest (if any) for the Performance Period. The Company will thereafter procure the transfer of these vested shares to the Participant.

Dividends

The Company will pay to each Participant an amount equal to the net dividends which would have been paid during the Performance Period on those shares which actually vest.

Loss of or Limitations on Rights

If a Participant leaves the employment of the Group, rights on all shares held under the LTIS shall immediately lapse, although special rules apply on leaving due to ill health, retirement, redundancy, disposal/change of control of the Company, death, or in other circumstances where the Board deems it appropriate. Under these special rules, the Board may determine whether and if so how many shares will vest taking into account the Performance Targets and how much of the Performance Period has elapsed.

No share will be transferred to a Participant where any statutory, regulatory or other legal provision restricts the Company or the executive from dealing in shares or while his employment is suspended on grounds of gross misconduct.

No award may be assigned or transferred (except to personal representatives on the Participant's death).

Other Matters

Rights

The inclusion of a Participant in this Scheme or the terms of an Award shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Group for any reason whatsoever (including wrongful or unfair dismissal), or from the lapsing of any share awards. Awards will not be pensionable.

LTIS Limits

Although the Company will normally seek to use existing shares held by an employee benefit trust for the LTIS, it may issue shares. In such case, the total number of new shares which the Company may allot to satisfy awards is limited to 10% of the issued share capital of the Company including all new shares allotted under any other employee share scheme in the 10 years up to and including the allotment of such new shares, or 5% in 10 years for any discretionary executive scheme.

No Participant may be granted an award of more than 100,000 conditional shares in any year.

Variation of Share Capital

The number of shares in any award may be adjusted on any variation of the share capital of the company in such manner as the Board deems to be fair and reasonable.

Change of Control

In the event of a takeover of the Company, awards will vest immediately subject to determination by the Board of the extent to which the Performance Targets have been met as at the date of change of control.

SUMMARY OF THE PRINCIPAL FEATURES OF THE JOHN MENZIES PLC 2005 BONUS CO-INVESTMENT PLAN

Introduction

The John Menzies plc 2005 Bonus Co-Investment Plan ("Plan") offers executive directors the opportunity to invest part of their cash bonus in the Company's shares entitling them, provided certain Performance Targets are met, to a grant of additional matching shares.

The purpose of the Plan is to encourage executive directors to acquire and hold shares in the Company over their period of employment.

The Plan is intended for use by executive directors, but the Board may extend it to include selected senior executives.

Eligibility

Executives of the Company who are awarded a bonus payment under an annual bonus plan for a financial year and who are selected by the Remuneration Committee are eligible to participate in the Plan.

Invitations to Participate and Matching Shares

Once a bonus payment has been determined, the Remuneration Committee will issue invitations to participate in the Plan.
The invitation will state the maximum percentage of the bonus payment which may be used to calculate the number of shares that will qualify for a grant of conditional matching shares, the maximum ratio of any matching award which may be applied (normally up to two matching shares for each qualifying share), and the Performance Targets which will apply to this award of matching shares.

The maximum amount which will be eligible for matching will normally be 50% of the bonus award.

Each executive who wishes to participate ("Participant") must reply, usually within 30 days, specifying the amount of the bonus award which he wishes to apply under the Plan ("Amount"). A Participant must apply the net of tax Amount in the purchase of shares.

Commencement, Duration and Amendment of the Plan

The first bonus award which will qualify for investment in shares under the Plan shall be the award due for the financial year to December 2004, and the last qualifying bonus award will be for the financial year which commences 10 years after the adoption of the Plan.

The Plan may be altered at any time provided that no alteration is made which adversely affects the Participants without their consent, and no amendments to the advantage of Participants may be made without shareholder consent.

Performance Targets

The Performance Targets will be challenging, and will normally be based on real growth in earnings per share measured over a period of three financial years ("the Performance Period"). The Performance Targets and matching ratios for the first period shall be:

Percentage growth in the Company's EPS during the three years to 31 December 2007	Matching Ratio: Number of matching shares that will vest
RPI + 3%p.a. or less	Nil
RPI + 8%p.a. or more	2
Between RPI + 3%p.a. and RPI + 8%p.a.	To be calculated on a straight line basis

Vesting of Matching Shares

At the end of each Performance Period, the Remuneration Committee will notify Participants of the extent to which the Performance Target has been met, the matching ratio which is to be applied and the number of matching shares which will vest (if any) for the Performance Period. The Company will procure the transfer of shares representing the post-tax value of the vested shares, and will pay the relevant tax on the award by selling on each Participant's behalf the appropriate number of the vested shares.

Dividends

The Company will pay to each Participant an amount equal to the net dividends which would have been paid during the Performance Period on those vested shares.

Loss of Matching Rights

If, before the date of the notice of vesting of the matching shares, a Participant disposes of or encumbers any shares purchased under the Plan, matching rights on these shares will usually lapse immediately.

If a Participant leaves the employment of the Group, matching rights on all shares held under this Plan will also lapse immediately, although special rules apply on leaving due to ill health, retirement, redundancy, disposal/change of control of the Company, death, or in other circumstances where the Remuneration Committee deems it appropriate. In these circumstances any award of matching shares will usually be pro rata to the proportion of the Performance Period which has elapsed.

Other Matters

Restricted Dealing Periods

If any action under this Plan is prevented by the Model Code, the time allowed shall be extended to include each day for which the Participant or the Company is restricted.

Plan Limits

Although the Company will normally seek to use existing shares held by an employee benefit trust for the Plan, it may issue shares. In such case, the total number of new shares which the Company may allot to satisfy the Plan awards is limited to 10% of the issued share capital of the Company including all new shares allotted under any other employee share scheme in the 10 years up to and including the allotment of such new shares, or 5% in 10 years for any discretionary executive share scheme.

Rights

The inclusion of a Participant under this Plan or the terms of an Award shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Group for any reason whatsoever (including wrongful or unfair dismissal), or from the lapsing of any matching share awards. Awards will not be pensionable.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of John Menzies plc will be held at the Caledonian Hilton Hotel, Princes Street, Edinburgh on Thursday 28 April 2005 at 12.15pm to transact the following business:

Ordinary Business

To consider and if thought fit pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Directors' Report and Accounts for the year ended 25 December 2004 and the Report of the Auditors thereon.
2. To declare a final dividend on the ordinary shares.
3. To elect as a director:
   (i) Iain Robertson

   To re-elect as directors:

   (ii) Paul Dollman
   (iii Ian Harrison
   (iv) Dermot Jenkinson
   (v) Michael Walker
4. To approve the Report on Directors' Remuneration for the year ended 25 December 2004.
5. To appoint PricewaterhouseCoopers LLP as Auditors.
6. To authorise the directors to fix the Auditors' remuneration.
7. That the Rules of the John Menzies plc 2005 Performance Share Plan (PSP), the main features of which are summarised in the Appendix to the letter to shareholders of the Company dated 1 April 2005, be approved and adopted in the form produced to the meeting and signed by the Chairman for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority and the London Stock Exchange or for the purposes of implementing and giving effect to the PSP.
8. That the Rules of the John Menzies plc 2005 Long Term Incentive Scheme (LTIS), the main features of which are summarised in the Appendix to the letter to shareholders of the Company dated 1 April 2005, be approved and adopted in the form produced to the meeting and signed by the Chairman for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority and the London Stock Exchange or for the purposes of implementing and giving effect to the LTIS.
9. That the Rules of the John Menzies plc 2005 Bonus Co-Investment Plan (the Plan), the main features of which are summarised in the Appendix to the letter to shareholders of the Company dated 1 April 2005, be approved and adopted in the form produced to the meeting and signed by the Chairman for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority and the London Stock Exchange or for the purposes of implementing and giving effect to the Plan.

Special Business

To consider and if thought fit pass the following Resolutions which will be proposed as Special Resolutions:

10. That the directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) pursuant to the authority conferred by Resolution number 9 passed at the Annual General Meeting of the Company held on 9 May 2003 as if Section 89 of the Companies Act did not apply to such allotment, provided that this power shall be limited to:

    (a) the allotment (otherwise than pursuant to sub-paragraph (b) below) of equity securities which are, or are to be, wholly paid up in cash to an aggregate nominal value of £722,042, and for this purpose an issue of securities convertible into or giving the right to subscribe for ordinary shares shall be deemed to be an allotment of the number of shares which would be required to satisfy the conversion or subscription price provided in the terms and conditions of the issue; and

    (b) the allotment of equity shares in connection with a rights issue to ordinary shareholders in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, subject to the directors having a right to aggregate and sell for the benefit of the Company all fractional entitlements which may arise in apportioning equity securities among ordinary shareholders of the Company, and subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to legal or practical problems under the requirements of any regulatory or other authority in any jurisdiction; and shall expire at the conclusion of the next Annual General Meeting of the Company or on 27 July 2006 which ever is earlier, provided that the Company may before such expiry make an offer or arrangement which would or might require equity shares to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired.

11. That the Company be and is hereby authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of any of its own ordinary shares of 25p each (the “ordinary shares”), provided that:

(a) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or on 27 October 2006, whichever is earlier, except in relation to the purchase of ordinary shares for which a contract was concluded before the authority expired and which might or will be executed wholly or partly after its expiration;

(b) the maximum number of shares hereby authorised to be purchased is 5,776,343 ordinary shares in aggregate; and

(c) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for ordinary shares of the Company derived from the London Stock Exchange Daily Official List for the five business days prior to the date of conclusion of the contract for such purchases, and the minimum price is 25p, in each case exclusive of the expenses of purchase.

12. That the Company be and is hereby authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of any of its own 9% cumulative preference shares of £1 each (the “preference shares”), provided that:

(a) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or on 27 October 2006, whichever is earlier, except in relation to the purchase of preference shares for which a contract was concluded before the authority expired and which might or will be executed wholly or partly after its expiration;

(b) the maximum number of shares hereby authorised to be purchased is 1,394,587 preference shares in aggregate; and

(c) the maximum price which may be paid for each preference share is an amount equal to 110% of the average of the middle market quotations for shares of the Company derived from the London Stock Exchange Daily Official List for the five business days prior to the date of conclusion of the contract for such purchases, and the minimum price is £1, in each case exclusive of the expenses of purchase.

By order of the Board

C A Anderson, Secretary
1 April 2005

Notes

Entitlement to Attend Meeting
Members who wish to attend the meeting must be entered on the Company's register of members by 12.15pm on Tuesday 26 April 2005, and the number of votes they may cast will be the number of shares they hold as shown by the register at that date.

Proxies
A person entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. A pre-paid form of proxy is enclosed for ordinary shareholders which, to be valid, must be completed in accordance with the instructions printed on it and lodged with the registrars of the Company at least 48 hours before the time of the meeting.

Appointment of a proxy will not prevent a member from attending and voting at the Annual General Meeting should he/she decide to do so.

Documents
The register of interests of directors in the share capital of the Company and copies of their service agreements are available for inspection at the registered office of the Company during normal business hours and will be available at the meeting.

Copies of the Rules of the proposed 2005 Performance Share Plan, 2005 Long Term Incentive Scheme and 2005 Bonus Co-Investment Plan will be available for inspection at the registered office of the Company, and at the offices of Maclay Murray & Spens at 10 Foster Lane, London EC2V 6HR, during business hours (excluding public holidays) from the date of this Notice until the conclusion of the annual general meeting and on the date and at the place of the meeting from 12 noon until its conclusion.

Dividend
The final dividend on the ordinary shares, if approved, will be paid on 24 June 2005 to members whose names appear on the register at the close of business on 27 May 2005.