

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, manager, solicitor, accountant, fund manager or other appropriate 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 Boots Shares, you should send this document together with the accompanying Form of Proxy as soon as possible 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 the transferee. If you have sold part only of your holding of Boots Shares please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as financial adviser and sponsor to Boots in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to any person other than Boots for providing the protections afforded to the customers of Goldman Sachs International or for providing advice in relation to the matters described in this document.



BOOTS GROUP PLC

*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 4452715)*

Proposed Merger with Alliance UniChem Plc Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of Boots which is set out in Part I of this document. The letter contains the recommendation that you vote in favour of the Resolutions to be proposed at the Boots Extraordinary General Meeting referred to below.

This document should be read in conjunction with the Prospectus relating to the New Boots Shares which has been prepared in accordance with the Prospectus Rules made under section 84 of FSMA. A copy of the Prospectus has been filed with the Financial Services Authority and has been made available to the public as required by section 5.2 of the Prospectus Rules. This document does not constitute an offer of any securities for sale. Please read the whole of this document and the Prospectus, and in particular, the risks relating to the Boots Group, the Enlarged Group and the Merger set out in the Prospectus and in this document.

Application has been made to the UK Listing Authority for the New Boots Shares to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective and dealings for normal settlement will commence on the Effective Date (which is currently expected to be 31 July 2006).

Notice of an extraordinary general meeting of Boots to be held at The Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT at 10.00 a.m. on 4 July 2006 is set out on pages 28 to 31 of this document. Boots Shareholders will find enclosed a Form of Proxy for use in connection with the Resolutions to be proposed at the Boots Extraordinary General Meeting. Whether or not you intend to attend the Boots Extraordinary General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's Registrars, Capita Registrars (Proxies), PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 10.00 a.m. on 2 July 2006.

If you would like to submit your proxy vote electronically you can do so by visiting the Boots Group website, www.boots-ir.com, and selecting "Investor Information". You will require your unique investor code which is shown on the enclosed Form of Proxy. The deadline for the receipt of electronic proxies is 10.00 a.m. on 2 July 2006 (48 hours before the Boots Extraordinary General Meeting). Do not disclose your investor code to anyone else, unless you wish them to give instructions on your behalf. Any electronic communications found to contain a virus will not be accepted.

If you hold Boots Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's Registrars, Capita Registrars (CREST participant ID RA10), so that it is received by no later than 10.00 a.m. on 2 July 2006.

A summary of the action to be taken by Boots Shareholders is set out on page 23 of this document and in the accompanying notice of the Boots Extraordinary General Meeting. The return of the completed Form of Proxy or CREST Proxy Instruction will not prevent you from attending the Boots Extraordinary General Meeting and voting in person if you wish to do so (and are so entitled).

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

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Information Regarding Forward-Looking Statements

This document contains a number of forward-looking statements relating to the Boots Group, the Alliance UniChem Group and the Enlarged Group. Boots considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Boots Group, the Alliance UniChem Group or the Enlarged Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Boots nor any member of the Boots Group undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Prospectus Rules, the Listing Rules, the Disclosure Rules and other regulations.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Time and/or date</u>
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for Boots Extraordinary General Meeting	10.00 a.m. on 2 July 2006
Voting Record Time for the Boots Extraordinary General Meeting	6.00 p.m. on 2 July 2006
Boots Extraordinary General Meeting	10.00 a.m. on 4 July 2006
Court Meeting in respect of the Scheme	10.30 a.m. on 4 July 2006
Alliance UniChem Extraordinary General Meeting	10.45 a.m. on 4 July 2006
Court Hearing to sanction the Scheme	26 July 2006
Court Hearing to confirm the Reduction of Capital	28 July 2006
Scheme Record Time and record date for the Boots Merger Dividend	6.00 p.m. on 28 July 2006
Effective Date of the Scheme and Completion of the Merger	31 July 2006
Cancellation of listing of Alliance UniChem Shares	8.00 a.m. on 31 July 2006
Expected date of Admission of, and commencement of dealings in, New Boots Shares and ex-dividend date for the Boots Merger Dividend	8.00 a.m. on 31 July 2006
Crediting of New Boots Shares to CREST accounts	8.00 a.m. on 31 July 2006
Latest date for despatch of share certificates in respect of New Boots Shares	14 August 2006
Payment date for Boots Merger Dividend	3 October 2006

Note: These times and dates are indicative only and the expected dates following the Court Hearings referred to above will depend, among other things, on the date upon which the Court sanctions the Scheme and confirms the Reduction of Capital. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement through the Regulatory Information Service of the London Stock Exchange.

Unless otherwise stated, all references in this document to times are to London times.

RELEVANT DOCUMENTATION

The Prospectus, which accompanies this document, contains further information in relation to the Merger. Paragraph 4 of Part II of this document sets out various sections of the Prospectus which are incorporated by reference into this document.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Sir Nigel Rudd Richard Baker Paul Bateman Jim Smart Guy Dawson Tim Parker Hélène Ploix Dr. Martin Read
Secretary	Michael Oliver
Registered Office	1 Thane Road West Nottingham NG2 3AA
Sponsor and Financial Adviser	Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB
Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY
Reporting Accountants	KPMG Audit Plc 2 Cornwall Street Birmingham B3 2DL
Registrars	Capita Registrars (a trading division of Capita IRG plc) Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

“Act” or “Companies Act”	the Companies Act 1985, as amended
“Admission”	the admission of the New Boots Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities
“Alliance UniChem”	Alliance UniChem Plc, a company incorporated in England and Wales with registered number 2517178
“Alliance UniChem Extraordinary General Meeting”	the extraordinary general meeting of Alliance UniChem convened in connection with the Scheme, including any adjournment thereof
“Alliance UniChem Merger Dividend”	the interim dividend which is proposed to be paid to Alliance UniChem Shareholders on the register of members of Alliance UniChem at the close of business on the Business Day prior to the Effective Date as described in paragraph 7 of Part I of this document
“Alliance UniChem Group”	Alliance UniChem and its subsidiary undertakings
“Alliance UniChem Shareholders”	holders of Alliance UniChem Shares, as appearing in the register of members of Alliance UniChem from time to time
“Alliance UniChem Shares”	the fully paid ordinary shares of 10 pence each in the capital of Alliance UniChem
“Articles of Association” or “Articles”	the articles of association of Boots
“BHI”	the Boots Healthcare International division of the Boots Group which was disposed of on 31 January 2006
“BRI”	the Boots Retail International division of the Boots Group
“Boots” or the “Company”	Boots Group PLC
“Boots Extraordinary General Meeting”	the extraordinary general meeting of Boots convened by the notice set out on pages 28 to 31 of this document including any adjournment thereof
“Boots Group”	Boots and its subsidiary undertakings
“Boots Merger Dividend”	the interim dividend which is proposed to be paid to Boots Shareholders on the register of members of Boots at the close of business on the Business Day prior to the Effective Date as described in paragraph 7 of Part I of this document
“Boots Pension Scheme”	the pension scheme known as Boots Pension Scheme, constituted by a second definitive Trust Deed and Rules dated 17 October 1994, as amended from time to time, or, if the context so requires, the trustees of that scheme
“Boots Shareholders”	holders of Boots Shares, as appearing in the register of members of Boots from time to time

“Boots Shares”	fully paid ordinary shares of 377/39 pence each in the capital of Boots
“Business Day”	any day (other than a Saturday or Sunday or public holiday) on which banks generally open for business in London
“Capita Registrars”	a trading division of Capita IRG plc
“CAT”	the Competition Appeal Tribunal
“City Code” or “Code”	The City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of Boots Shares and Alliance UniChem Shares, as the case may be
“Completion”	the Scheme becoming effective or, as the case may be, any offer made by Boots for Alliance UniChem becoming or being declared unconditional in all respects
“Conditions”	the conditions to the implementation of the Merger, which are summarised in paragraph 7 of Part I of this document and which are set out in full in Part 4 (“Conditions to Implementation of the Scheme and the Merger”) of the Scheme Document
“Court”	the High Court of Justice in England and Wales
“Court Meeting”	the meeting of the Alliance UniChem Shareholders convened by order of the Court pursuant to section 425 of the Companies Act to be held at 10:30 a.m. on 4 July 2006 to consider and, if thought fit, approve the Scheme notice of which is set out in Part 4 (“Notice of Court Meeting”) of the Scheme Document including any adjournment thereof
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo Limited is the Operator (as defined in such regulations)
“Disclosure Rules”	the disclosure rules brought into effect on 1 July 2005 to implement Article 6 of the Commission Directive 2003/6/EC, Articles 2 and 3 of the Commission Directive 2003/124/EC and Article 5 and 6 of Commission Directive 2004/72/EC
“Effective Date”	the date on which the Scheme becomes effective
“Enlarged Group”	the Boots Group and the Alliance UniChem Group following completion of the Merger
“Framework Agreement”	the agreement relating to the Merger between Boots and Alliance UniChem dated 3 October 2005
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Frustrated Resolution”	means any of Resolutions 2 to 8 (inclusive) which is not passed as a result of the death or incapacity of the person named in such Resolution or as a result of the person named in such Resolution ceasing to be willing or able to be nominated as a director of Boots

“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“Listing Rules”	the Listing Rules of the UK Listing Authority, as amended from time to time
“London Stock Exchange”	London Stock Exchange plc
“Merger”	the proposed merger of Boots and Alliance UniChem
“Merger Resolutions”	<p>the following resolutions to be proposed at the Boots Extraordinary General Meeting:</p> <ul style="list-style-type: none"> • Resolution 1 being the ordinary resolution to approve the Merger, to increase the Boots’ authorised share capital and to grant the Boots Directors authority to allot the New Boots Shares; • Resolutions 2 to 8 (inclusive) being the ordinary resolutions to appoint each of the Proposed Directors (other than Scott Wheway) as a Director of Boots, in each case subject to Completion (except for any such Resolution which is not passed as a result of the death or incapacity of the person named in such Resolution or as a result of the person named in such Resolution ceasing to be willing or able to be nominated as a director of Boots); and • Resolution 10 being the special resolution to change Boots’ Articles to remove the requirement for a Director of Boots who reaches the age of 65 to vacate the office of Director of Boots at the next annual general meeting, (unless, during the four months preceding that annual general meeting, he is requested by the Board of Boots to remain in office), subject to Completion
“New Boots Shares”	up to 481,846,975 new Boots Shares to be issued fully paid in connection with the Merger
“Official List”	the Official List of the UK Listing Authority
“OFT”	the Office of Fair Trading
“Operating Profit”	profit from operations before share of associates’ post-tax earnings and items classified by Alliance UniChem as exceptional
“Proposed Directors”	the persons each of whom is proposed to be appointed a director of Boots with effect from Completion who are listed on page 10 of the Prospectus
“Prospectus”	the prospectus prepared by Boots in connection with the New Boots Shares published on the date of this document
“Prospectus Rules”	the prospectus rules brought into effect on 1 July 2005 to implement Article of Commission Directive 809/2004/EC
“Reduction of Capital”	the reduction of Alliance UniChem’s share capital associated with the cancellation and extinguishing of the Scheme Shares provided for by the Scheme under section 135 of the Companies Act

"Resolutions"	the resolutions set out in the notice convening the Boots Extraordinary General Meeting on pages 28 to 31 of this document
"Restricted Jurisdiction"	Australia and Japan and any other jurisdiction where the New Boots Shares cannot be made available without breaching any applicable law
"Scheme"	the scheme of arrangement of Alliance UniChem proposed to be made under section 425 of the Companies Act on the terms set out in the Scheme Document
"Scheme Document"	the document sent to Alliance UniChem Shareholders which contains, among other things, the terms and conditions of the Scheme
"Scheme Record Time"	6.00 p.m. on the Business Day immediately preceding the Effective Date
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Shares"	<ul style="list-style-type: none"> • the Alliance UniChem Shares in issue at the date of the Scheme Document; • any Alliance UniChem Shares issued after the date of the Scheme Document and before the Voting Record Time; and • any Alliance UniChem Shares issued at or after the Voting Record Time and before 6.00 p.m. on the Business Day prior to confirmation by the Court of the Reduction of Capital provided for by the Scheme in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme
"Special Dividend"	the special dividend of, in aggregate, approximately £1.43 billion paid to the Boots Shareholders following the completion of the sale of BHI
"TBC"	the Boots Company PLC
"Trading Profit"	profit before taxation and net finance costs excluding (a) items which the Directors of Boots consider one-off or unusual and (b) profits and losses on the disposal of non-current assets. A reconciliation from operating profit before finance costs to Trading Profit/(Loss) in relation to the years ended 31 March 2006 and 31 March 2005 is included in Note 2 to the Boots Group's audited financial statements for the year ended 31 March 2006, which are included in Part VII ("Historical Financial Information Relating to the Boots Group") of the Prospectus
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA

“US” or “USA” or “United States”	the United States of America, its territories and possessions, any state in the United States of America and the District of Columbia
“US Securities Act”	the United States Securities Act of 1933, as amended
“US Securities Exchange Act”	the United States Securities Exchange Act of 1934, as amended

For the purposes of this document, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the meanings given by the Act (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A of the Act).

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

References to “£”, “sterling”, “p” and “pence” are to the lawful currency of the United Kingdom.

In this document, unless otherwise specified, summarised financial information in respect of the Boots Group is extracted without material adjustment from its audited financial statements in respect of the year ended 31 March 2006 and summarised financial information in respect of the Alliance UniChem Group is extracted without material adjustment from its audited financial statements in respect of the year ended 31 December 2005. In each case, investors should read the whole document and not rely solely on the summarised financial information.

PART I

LETTER FROM THE CHAIRMAN OF BOOTS

BOOTS GROUP PLC

*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 4452715)*

Directors:

Sir Nigel Rudd (*Chairman*)
Richard Baker (*Chief Executive*)
Paul Bateman (*Group Operations Director*)
Jim Smart (*Chief Financial Officer*)
Guy Dawson (*Non-Executive Director*)
Tim Parker (*Non-Executive Director*)
Hélène Ploix (*Non-Executive Director*)
Dr. Martin Read (*Non-Executive Director*)

Registered Office:

1 Thane Road West
Nottingham NG2 3AA

Head Office:

Nottingham
NG90 1BS

5 June 2006

Dear Shareholder,

PROPOSED MERGER WITH ALLIANCE UNICHEM

1. Introduction

On 3 October 2005, the Boards of Boots and Alliance UniChem announced that they had agreed the terms of a recommended merger to create the Enlarged Group, an international pharmacy-led health and beauty group to be called "Alliance Boots".

On announcement, the Merger was subject to (amongst other things) the satisfaction or waiver of certain pre-conditions, including completion of the disposal of BHI and receipt of appropriate competition clearances. Those pre-conditions have now been satisfied or waived.

The Boots Group completed the disposal of BHI on 31 January 2006 for an aggregate consideration of approximately £1.93 billion on a debt free, cash free basis. Boots paid the Special Dividend of, in aggregate, approximately £1.43 billion, on 24 February 2006 and, after anticipated taxation and other costs associated with the BHI transaction of approximately £100 million, retained approximately £400 million of the proceeds of the BHI disposal for investment in the Boots Group and the Enlarged Group. Of this amount, £85 million has been paid to the Boots Pension Scheme and a further £250 million will be invested in, amongst other things, the Boots Group's supply chain.

On 1 December 2005, the European Commission agreed to Boots' and Alliance UniChem's request to have the Merger considered by the UK competition authorities. On 22 February 2006, the OFT published its decision that, subject to undertakings being agreed in relation to the divestment of a number of stores, the Merger would not be referred to the Competition Commission. The CAT considered an application for review of the OFT's decision to accept undertakings in lieu of reference of the Merger to the Competition Commission and announced, on 9 May 2006, that it had dismissed this application. On 25 May 2006, Boots agreed undertakings with the OFT. The implementation of the Scheme remains subject to the satisfaction or waiver of the competition condition referred to in paragraph 7 of this Part 1.

Due to its size, under the applicable provisions of the Listing Rules, the Merger requires the approval of Boots Shareholders as a "Class 1" transaction. In addition, Boots and Alliance UniChem have agreed that the Merger will not be implemented unless each of the Merger Resolutions is passed by the appropriate majority. The Merger therefore also remains conditional upon, amongst other things, the passing of the Merger Resolutions.

The purpose of this document is to provide you with details of the Merger, and to explain why the Board considers the Merger and the Resolutions (including the Merger Resolutions) to be in the best interests of Boots Shareholders as a whole and to seek your approval of them.

2. Summary of the Merger Terms

It is intended that the Merger, which is being unanimously recommended by the Boards of Boots and Alliance UniChem, will be implemented by means of the Scheme. Under the terms of the Scheme, the Alliance UniChem Shares will be cancelled and, on the Effective Date, Alliance UniChem Shareholders will receive:

for each Alliance UniChem Share **1.332 New Boots Shares**

and so in proportion to any other number of Alliance UniChem Shares held.

On the Effective Date, Alliance UniChem will become a wholly-owned subsidiary of Boots.

Assuming the issue of the maximum number of New Boots Shares pursuant to the Scheme and that no Boots Shares are issued in the period from the publication of this document to the Effective Date, the enlarged issued ordinary share capital of Boots would be held, on the Effective Date, as to 49.8% by Alliance UniChem Shareholders and as to 50.2% by the existing Boots Shareholders. On this basis, the Merger values Alliance UniChem at approximately £3.40 billion, based on the closing share price of the Boots Shares on 31 May 2006, being the last practicable Business Day prior to publication of this document.

The New Boots Shares will be issued credited as fully paid, will rank equally with the existing Boots Shares and will be entitled to all dividends and other distributions declared or paid by Boots by reference to a record date on or after the Effective Date. The New Boots Shares will not carry any right to participate in any dividends and other distributions declared or paid by Boots by reference to a record date prior to the Effective Date.

Fractions of New Boots Shares will not be issued to Alliance UniChem Shareholders pursuant to the Scheme. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £3, being paid to the persons entitled thereto.

Alliance UniChem Shareholders will retain all rights and interest in any dividends and other distributions declared or paid by Alliance UniChem by reference to a record date prior to the Effective Date.

3. Information on the Boots Group and the Alliance UniChem Group

The Boots Group

The Boots Group is a health and beauty group with operations in retail and manufacturing. Its products are sold in 17 countries, it employs approximately 63,000 people in total and operates approximately 1,500 health and beauty stores with an aggregate selling area of approximately 680,000 square metres. The Boots Group sells a wide range of products under the "Boots" brand and also owns a number of UK market leading brands by revenue such as "N° 7" and "Soltan". The Boots Group's international division, BRI, has Boots branded implants in host retailers' stores in 14 countries as well as approximately 95 owned stores in Asia. For the year ended 31 March 2006, the Boots Group generated Trading Profit¹ from continuing operations of £335.9 million on revenue from continuing operations of £ 5,027.4 million. As at 31 March 2006, the Boots Group had net assets of £1,651.5 million.

The Alliance UniChem Group

The Alliance UniChem Group, formed in 1997 through the merger of UniChem PLC and Alliance Santé S.A., has core businesses of pharmaceutical wholesaling and retail pharmacy. The Alliance UniChem Group has retail operations in 5 countries and operates over 1,300 pharmacies across Europe (including approximately 120 operated by associates), including over 960 in the UK. Including associates, the Alliance UniChem Group has wholesaling operations in

¹ A reconciliation from operating profit before finance costs to Trading Profit/(Loss) in relation to the years ended 31 March 2006 and 31 March 2005 is included in Note 2 to the Boots Group's audited financial statements for the year ended 31 March 2006 contained in Part VII ("Historical Financial Information Relating to the Boots Group") of the Prospectus.

13 countries and distributes to approximately 125,000 pharmacies, hospitals and health centres through a distribution network comprising around 380 depots. For the year ended 31 December 2005, the Alliance UniChem Group generated total Operating Profit (including share of associates' operating profit) of £331.8 million on total revenue (including share of associates' revenue) of £11,136.5 million. As at 31 December 2005, the Alliance UniChem Group had net assets of £1,184.8 million.

Further information on the Alliance UniChem Group is provided in Part IV ("Information on the Alliance UniChem Group") of the Prospectus. Please also see Part VIII ("Historical Financial Information Relating to the Alliance UniChem Group") of the Prospectus for financial information relating to the Alliance UniChem Group.

4. Background to and Reasons for the Merger

The merger of equals between Boots and Alliance UniChem will create an international pharmacy-led health and beauty group to be called "Alliance Boots". The Merger is expected to build on the existing strategies of the Boots Group and the Alliance UniChem Group (which are each briefly described in Parts III ("Information on the Boots Group") and IV ("Information on the Alliance UniChem Group") of the Prospectus respectively), combining their complementary skills and businesses. The Merger is expected to position better the Enlarged Group to capture the growth opportunities that Boots and Alliance UniChem expect in the health and beauty sectors, while also delivering expected cost savings to enhance the Enlarged Group's efficiency and competitiveness in pursuing those opportunities.

Growth Opportunities in Health and Beauty

As is discussed in Parts III ("Information on the Boots Group") and IV ("Information on the Alliance UniChem Group") of the Prospectus, growth in demand for healthcare has been driven by increased consumer health awareness and an ageing population. European governments continue to focus on ways to minimise healthcare costs and, as a result, have implemented policies which are expected to offer significant opportunities for the Enlarged Group. For example:

- European governments have promoted the increased prescription of generics instead of more expensive branded pharmaceuticals. The Enlarged Group is well positioned to benefit from this trend due to its international buying capabilities and the attraction of *Almus*, the Alliance UniChem Group's award-winning brand of generic drugs; and
- the UK government is requiring pharmacists to take a more clinical and proactive role in the health of patients as a result of the new pharmacy contract in England and Wales.

Growth in demand for beauty products has been driven by increasing consumer willingness to spend money on personal care. The Enlarged Group will inherit the Boots Group's position as the leader by revenue in this market in the UK and will have a portfolio of differentiated and leading brands such as "N° 7" and "Soltan", which are already being sold by BRI in selected international markets. Further details are given in Part III ("Information on the Boots Group") of the Prospectus.

Europe's Leading Retail Pharmacy Business

The Merger will create an international pharmacy-led health and beauty group comprising approximately 3,000 retail outlets, including associates, of which approximately 2,700 will have a pharmacy, with a wholesale network serving approximately 125,000 outlets.

Approximately 2,600 healthcare outlets in the UK

It is intended that, following an integration period, the Enlarged Group's network will include two retail formats, both branded "Boots", ranging from smaller dispensing pharmacies to larger high street and edge-of-town health and beauty stores including:

- approximately 1,500 community pharmacies where healthcare and dispensing revenues typically account for the majority of revenue. These pharmacies are typically in community

and secondary high street locations and have a strong emphasis on healthcare and advice. These are well placed to provide an increased role in the provision of healthcare services, working closely with other primary healthcare providers; and

- approximately 800 destination health and beauty stores, usually offering dispensing and other healthcare services and advice provided in community pharmacies and also providing a broader health and beauty offering, including Boots' private label and other Boots brands such as "N° 7", "Soltan" and "Botanics".

In addition, the Enlarged Group will operate approximately 300 other retail outlets, including freestanding Boots Opticians practices.

International retail

The Enlarged Group will operate over 400 pharmacies in Norway, The Netherlands, Thailand, the Republic of Ireland, Italy and, through an associate, in Switzerland, and will also operate a limited number of other retail outlets.

Wholesale

The Enlarged Group will continue the Alliance UniChem Group's wholesale business model which is designed to provide customers and manufacturers with an efficient system for the distribution of medicines and other healthcare products to pharmacies, supported by value added services. The Alliance UniChem Group's wholesale network (including associates) operates in 13 countries, through around 380 depots.

Enhanced International Growth Opportunities in New Markets

The Enlarged Group will have a pipeline of attractive opportunities in new geographical markets for the expansion of both its retail pharmacy network and its wholesale and distribution activities. The Enlarged Group's ability to access new markets and its attractiveness to potential partners is expected to be enhanced significantly by the management expertise, internationally recognised brands and balance sheet strength of the Enlarged Group.

Complementary management teams

The Enlarged Group's management team offers a strong combination of pharmacy, wholesale, retail, acquisition and brand management experience. The Alliance UniChem Group has an established track record of successful expansion into new geographical markets. Further details are set out in Part IV ("Information on the Alliance UniChem Group") of the Prospectus. The Boots Group's management brings proven retail, pharmacy and product development expertise with which to enhance the Enlarged Group's expansion potential.

Internationally recognised brands

The "Boots" brand is expected to increase the Enlarged Group's appeal to potential partners, customers and pharmacists. In addition, the sale of the Enlarged Group's extensive proprietary product range (e.g. "N° 7", "Soltan", "Botanics" and "Almus") to new customers in new international markets is expected to provide incremental benefits.

Strong balance sheet

The Enlarged Group intends to have an investment grade credit rating in order to provide financial flexibility and support attractive acquisitions in international markets.

Projected Annual Pre-Tax Cost Savings of at least £100 million¹ and Incremental Revenue Potential

Cost savings

The Enlarged Group expects annual pre-tax cost savings as a result of the Merger of at least £100 million per annum by the fourth full year² following Completion. The savings are expected

¹ These statements of estimated cost saving and the one-off costs of achieving them relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. Because of this, the cost savings referred to may not be achieved, or those achieved could be materially different from those estimated.

² Being the 12 month period ending on the fourth anniversary of Completion.

to be delivered such that over 60% of the run-rate savings will accrue by the second year following Completion and 100% by the fourth year. The cost savings are expected to arise from:

- streamlining the Enlarged Group's purchasing, logistics and wholesale network to deliver savings of approximately £80 million by the fourth full year following Completion; and
- rationalising corporate costs to deliver savings of approximately £20 million by the fourth full year following Completion.

The aggregate one-off charges to the income statement, which are all cash costs, related to achieving these synergies, are expected to amount to approximately £53 million. In addition, the Enlarged Group is expected to incur additional capital expenditure of £7 million in relation to the delivery of these synergies.

Revenue opportunities

The Enlarged Group also expects incremental revenue benefits from the increased availability of its leading brands, own-brand products and the Boots Advantage Card across the larger network. In addition, the Enlarged Group is expected to benefit from the application of pharmacy, retail and wholesale skills across the Enlarged Group.

5. Financial Effects of the Merger¹

On a pro forma basis and assuming the Merger had completed on 1 April 2005, the Boots Group's adjusted profit for the year attributable to equity shareholders, before taking into account the impact of any accounting fair value adjustments, for the year ended 31 March 2006 would have increased compared to the Boots Group's equivalent reported result for that year.

Adjusted profit for the year attributable to equity shareholders is profit for the year attributable to equity shareholders adjusted to exclude IAS 39 timing differences on interest rate and currency hedging, the results of discontinued operations and items classified by Boots as one-off or unusual in nature (including the tax effects thereof).² In the year to 31 March 2006, on a pro forma basis, these one-off or unusual items would have included one-off restructuring costs relating to ongoing trading activities, one-off costs relating to the Merger (including transaction costs and integration costs to achieve the projected synergies), profit on disposal of businesses (including discontinued operations) and profit on disposal of/(amounts written off) non-current assets.³

An unaudited pro forma statement of the net assets of the Enlarged Group, prepared in accordance with IFRS as at 31 March 2006 is set out, for illustrative purposes only, in Part IX ("Information on the Expected Impact of the Merger on the Assets and Liabilities of the Boots Group") of the Prospectus.

As shown in that statement, the illustrative unaudited pro forma consolidated net assets of the Enlarged Group, prepared in accordance with IFRS as at 31 March 2006 and adjusted to reflect the Merger, would have been £5,048.5 million. As at that date, the Boots Group had net assets of £1,651.5 million.

¹ References to the anticipated effects, on a pro forma basis, of the Merger on the Boots Group's adjusted profit for the year attributable to equity shareholders should not be interpreted as a profit forecast nor should this be interpreted to mean that the Boots Group's consolidated adjusted profit for the year attributable to equity shareholders following Completion will necessarily exceed or match its published adjusted profit attributable for the year to equity shareholders.

² For the Boots Group on a standalone basis, the equivalent adjusted profit for the year attributable to equity shareholders is continuing Trading Profit after deducting net finance costs of continuing operations and attributable income taxes, as set out in note 11 on page 103 to the audited financial statements of the Boots Group for the year ended 31 March 2006 in Part VII ("Historical Financial Information Relating to the Boots Group") of the Prospectus.

³ This paragraph reflects the expected effect of the divestments contemplated by the undertakings agreed with the OFT.

6. Board, Employees and Operating Presence

As from the Effective Date, the Boots Board will comprise the following members:

	Position as from the Effective Date
Sir Nigel Rudd	Chairman
Stefano Pessina	Executive Deputy Chairman
Richard Baker	Chief Executive
George Fairweather	Group Finance Director
Ornella Barra	Wholesale and Commercial Affairs Director
Steve Duncan	Community Pharmacy Director
Scott Wheway	Health and Beauty Retail Director
Guy Dawson	Non-Executive Director
Adrian Loader	Non-Executive Director
Tim Parker	Non-Executive Director
Hélène Ploix	Non-Executive Director
Patrick Ponsolle	Non-Executive Director
Manfred Stach	Non-Executive Director

A further Non-Executive Director will be appointed following the Effective Date.

Stefano Pessina, Executive Deputy Chairman, will be responsible for integration and strategy and will, following Completion, report directly to the Boots Board.

Boots and Alliance UniChem have agreed that as from the Effective Date, Directors nominated by Alliance UniChem will comprise a majority of the Nominations Committee of Boots, the composition and terms of reference of which are summarised in paragraph 8 of Part XIII (“Directors, Responsible Persons, Corporate Governance and Employees”) of the Prospectus.

As a result of the Merger, Ian Meakins will cease to be Chief Executive of Alliance UniChem. On the Effective Date, Jim Smart will cease to be Chief Financial Officer of Boots, and both he and Paul Bateman will leave the Boots Board. Details of the composition of the Boots Board with effect from Completion are set out above.

The Boards of Boots and Alliance UniChem have confirmed to each other that, following Completion, the existing employment rights, including pension rights, of all employees of both the Boots Group and the Alliance UniChem Group will be fully safeguarded.

As described in paragraph 4 of Part III (“Information on the Boots Group”) of the Prospectus, the Boots Group has embarked on a rationalisation of, amongst other things, its supply chain which is expected to result in the loss of approximately 2,250 jobs in the Boots Group. As also described in paragraph 4 of this Part I, there will, following Completion, be a further rationalisation of corporate costs and a streamlining of the Enlarged Group’s purchasing, logistics and wholesale network. This may result in further redundancies in the UK. Any such redundancies which result from the Merger are expected to occur across the Enlarged Group.

As described in paragraph 8 of this Part I, Boots has given undertakings to the OFT to use its best endeavours to divest 96 pharmacies following Completion. It is expected that these pharmacies will be divested as going concerns following Completion.

Given the complementary nature of the businesses of the Boots Group and the Alliance UniChem Group outside the UK, no significant impact is currently expected as a result of the Merger on the international businesses of the Enlarged Group.

It is intended that the Enlarged Group will maintain a substantial operating presence in Nottingham, Feltham, Weybridge and Chessington in relation to the Enlarged Group’s UK retail and wholesale businesses. It is intended that the Enlarged Group will maintain a small head office in central London.

7. Summary of the Principal Elements of the Merger

Structure of the Merger

It is intended that the Merger will be effected by means of the Scheme, which is a scheme of arrangement between Alliance UniChem and its shareholders under section 425 of the Companies Act. The purpose of the Scheme is to provide for Boots to become the owner of the entire issued share capital of Alliance UniChem. This is to be achieved by the cancellation of the Scheme Shares held by Alliance UniChem Shareholders and the application of the reserve arising from such cancellation in paying up in full a number of new Alliance UniChem Shares which is equal to the number of Scheme Shares cancelled and issuing the same to Boots and/or to its nominees.

For the Scheme to become effective, a special resolution implementing the Scheme must be passed by Alliance UniChem Shareholders at the Alliance UniChem Extraordinary General Meeting and the Scheme must be approved by a majority in number of those Alliance UniChem Shareholders, present and voting either in person or by proxy, at the Court Meeting, representing 75% or more in value of all Alliance UniChem Shares held by such Alliance UniChem Shareholders.

The Scheme also requires the sanction of the Court and the confirmation by the Court of the Reduction of Capital, as well as satisfaction or waiver of the other Conditions.

Boots reserves the right to implement the Merger by means of a takeover offer. In such circumstances, the Merger will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the implementation of the Merger by means of the Scheme.

Dividends

Boots and Alliance UniChem each intend to pay (subject to Completion) a merger dividend to their respective shareholders. Each such merger dividend will be paid in accordance with Boots' and Alliance UniChem's respective current dividend policies as described below.

Boots

On 18 May 2006, Boots announced its preliminary results in respect of the year ended 31 March 2006 and announced a proposed final dividend for that financial year of 21.0 pence per Boots Share. The ex-dividend date for such final dividend was 31 May 2006 and its record date was 2 June 2006. This final dividend will be submitted for approval at the Boots annual general meeting scheduled to be held on 20 July 2006. The New Boots Shares will not carry any right to participate in this final dividend.

Prior to the Effective Date, it is intended that the Boots Board will resolve to pay (subject to Completion) the Boots Merger Dividend to those Boots Shareholders who are on the register of members of Boots at the close of business on the Business Day immediately prior to the Effective Date. The amount of such Boots Merger Dividend will be an amount equal to the anticipated dividend per Boots Share for the financial year ending 31 March 2007 pro-rated for the number of days elapsed in the period from 31 March 2006 to the Effective Date less, where applicable, the amount of any interim dividend which is paid or payable by Boots in accordance with its current dividend policy in respect of the current financial year ending on 31 March 2007. Any such interim dividend will only be considered in the event that Completion occurs after 31 July 2006.

Assuming Completion occurs on 31 July 2006, the amount of the Boots Merger Dividend will be 10.0 pence per Boots Share, the record date will be 6.00 p.m. on 28 July 2006, the ex-dividend date will be 31 July 2006 and the payment date will be 3 October 2006. The New Boots Shares will not carry any right to participate in the Boots Merger Dividend.

Alliance UniChem

Prior to the Effective Date, it is intended that the Alliance UniChem Board will resolve to pay (subject to Completion) the Alliance UniChem Merger Dividend to those Alliance UniChem Shareholders who are on the register of members of Alliance UniChem at the close of business on the Business Day immediately prior to the Effective Date. The amount of the Alliance UniChem Merger Dividend will be an amount equal to the anticipated dividend per Alliance UniChem Share for the financial year ending 31 December 2006 pro-rated for the number of days elapsed in the period from 31 December 2005 to the Effective Date less, where applicable, the amount of any interim dividend which is paid or payable by Alliance UniChem in accordance with its current dividend policy in respect of the current financial year ending on 31 December 2006. Any such interim dividend will only be considered in the event that Completion occurs after 31 July 2006.

Assuming Completion occurs on 31 July 2006, the amount of the Alliance UniChem Merger Dividend will be 13.25 pence per Alliance UniChem Share, the record date will be 6.00 p.m. on 28 July 2006, and the payment date will be 3 October 2006. The Alliance UniChem dividend reinvestment plan will not apply to the Alliance UniChem Merger Dividend.

Enlarged Group

Boots has a 31 March financial year end. Assuming Completion occurs on 31 July 2006 and the Boots Merger Dividend and the Alliance UniChem Merger Dividend are each paid as contemplated above, it is currently intended that no further interim dividend will be paid by Boots in respect of the financial year ending on 31 March 2007. The first dividend payable on the Boots Shares is therefore likely to be the final dividend in respect of the year ending 31 March 2007.

Scheme Document

The Merger will be subject to the applicable requirements of the City Code. The Scheme Document, setting out the details of the Merger, will be despatched to Alliance UniChem Shareholders on the date of publication of this document.

Conditions to the Implementation of the Scheme

In summary, the implementation of the Scheme is conditional upon:

- approval of the Scheme by a majority in number representing 75% or more in value of the Alliance UniChem Shareholders entitled to be present and voting, either in person or by proxy, at the Court Meeting;
- the special resolution to approve matters to give effect to the Scheme being duly passed by the requisite majority of Alliance UniChem Shareholders at the Alliance UniChem Extraordinary General Meeting;
- the sanction of the Scheme and confirmation of the Reduction of Capital by the Court (in either case, with or without modification, on terms acceptable to Alliance UniChem and Boots) and the delivery of an office copy of the Court order sanctioning the Scheme and of the Court order confirming the Reduction of Capital to the Registrar of Companies, and the registration of the Court order confirming the Reduction of Capital by him;
- the passing by the Boots Shareholders of the Merger Resolutions (save for any Frustrated Resolution);
- the Admission of the New Boots Shares;
- no material adverse change occurring in respect of the Boots Group or, as the case may be, the Alliance UniChem Group;

- neither the Merger nor the Scheme being rendered partially or wholly impossible or significantly impeded as a result of legislation, regulation, any decision of a court or any action taken by any governmental authority;
- the satisfaction or waiver of the competition condition including, with limitation, the period within which an application may be made for review of the decisions of the OFT and the CAT in connection with the Merger having expired or any appeal that may be made having been dismissed; and
- the satisfaction or waiver of the other Conditions, which are considered to be customary for a transaction of this nature.

Boots reserves the right to waive (amongst other things) the Condition relating to any material adverse change relating to the Alliance UniChem Group and, with Alliance UniChem's consent, the competition Condition referred to above, and Alliance UniChem reserves the right to waive (amongst other things) the Condition relating to any material adverse change relating to the Boots Group.

The Conditions relating to the passing of the Merger Resolutions, the approval by the Alliance UniChem Shareholders of the resolutions to be proposed at the Court Meeting and the Alliance UniChem Extraordinary General Meeting, the sanction of the Scheme and confirmation of the Reduction of Capital and the Admission of the New Boots Shares are not capable of being waived in whole or in part.

Irrevocable Undertaking

Boots has received an irrevocable undertaking to vote in favour of the resolutions to be proposed at the Court Meeting and at the Alliance UniChem Extraordinary General Meeting from Stefano Pessina, the Executive Deputy Chairman of Alliance UniChem, and a Luxembourg company controlled by him, in respect of 108,818,474 Alliance UniChem Shares, representing approximately 30% of Alliance UniChem's existing issued share capital.

The circumstances in which this undertaking ceases to be binding are described in further detail in paragraph 9 of Part XIII ("Additional Information") of the Prospectus and, in summary, include circumstances where:

- the Boots Shareholders fail to pass the Merger Resolutions (save for any Frustrated Resolution);
- the Alliance UniChem Shareholders fail to pass the resolutions to be proposed at the Court Meeting or the Alliance UniChem Extraordinary General Meeting;
- the Board of Boots either withdraws, qualifies or adversely modifies its recommendation of the Merger or recommends an offer (howsoever structured) for Boots;
- an offer (howsoever structured) is made for Boots which is not, or has not been, recommended by the Boots Directors, and which becomes wholly unconditional; or
- an alternative offer (howsoever structured) is made for Alliance UniChem and acceptances are received in respect of such offer amounting to in aggregate, more than 45% of the Alliance UniChem Shares.

Following Completion, Mr. Pessina will indirectly hold approximately 15% of the enlarged issued share capital of Boots, a holding Mr. Pessina has indicated he intends to retain for the long term.

Framework Agreement and Inducement Fees

On 3 October 2005, Boots and Alliance UniChem entered into the Framework Agreement in connection with the Merger which has governed, and will continue to govern, their relationship until the Merger becomes effective or lapses.

Pursuant to the Framework Agreement, Boots and Alliance UniChem have each undertaken to take all steps as are reasonable and necessary to implement the Merger and have each given certain undertakings in relation to the conduct of their business in the period prior to the implementation of the Merger. Each of the parties has also agreed, subject to certain limited exceptions, not to solicit any competing proposal to the Merger.

The Framework Agreement terminates in certain circumstances, including where the Boots Shareholders fail to pass the Merger Resolutions (save for any Frustrated Resolution), where the Alliance UniChem Shareholders fail to pass the resolutions to be proposed at the Court Meeting or the Alliance UniChem Extraordinary General Meeting, where the Court fails to sanction the Scheme and also where either of the Boots Board or the Alliance UniChem Board withdraws, qualifies or adversely modifies its recommendation of the Merger.

In summary, Boots has agreed to pay Alliance UniChem an inducement fee of £43 million (inclusive of any amounts in respect of VAT) if:

- the Boots Shareholders fail to pass the Merger Resolutions (save for any Frustrated Resolution);
- the Boots Directors recommend an alternative offer (howsoever structured) for Boots;
- an alternative offer (howsoever structured) for Boots becomes or is declared unconditional; or
- the Boots Directors withdraw, qualify or adversely modify their recommendation of the Merger.

In summary, Alliance UniChem has agreed to pay Boots an inducement fee of £31 million (inclusive of any amounts in respect of VAT) if, after an announcement of a firm intention to make an offer (howsoever structured) for Boots by a person with a direct or indirect controlling interest in a business, the principal activity of which is national pharmaceutical wholesale or pharmacy activity in the United Kingdom, any of the following occurs:

- the Alliance UniChem Directors recommend an alternative offer (howsoever structured) for Alliance UniChem;
- an offer (howsoever structured) for Alliance UniChem becomes or is declared unconditional;
- the Alliance UniChem Directors withdraw, qualify or adversely modify their recommendation of the Merger; or
- the Alliance UniChem Shareholders fail to pass the resolutions to be proposed at the Court Meeting or the Alliance UniChem Extraordinary General Meeting.

Pursuant to the terms of the Framework Agreement and with effect from Completion, TBC has agreed to assume the obligations of Alliance UniChem in respect of the Alliance UniChem Group's principal defined benefit pension scheme and Boots has agreed to guarantee such obligations of TBC.

Further details on the Framework Agreement, and the inducement fees, are provided in paragraph 9 of Part XIII ("Additional Information") of the Prospectus.

8. OFT Undertakings

The OFT accepted undertakings from Boots in lieu of reference of the Merger to the Competition Commission on 25 May 2006. Pursuant to the undertakings, Boots has agreed that it will, following Completion, use its best endeavours to divest a pharmacy in each of the 96 areas in which the OFT has identified a prospect of substantial lessening of competition. Under the terms of the undertakings, the sale of the relevant 96 pharmacies must take place within an agreed confidential timeframe to purchasers approved by the OFT. If the divestments have not

completed within the agreed timetable, the OFT may require a trustee to be appointed to sell pharmacies in the relevant areas on behalf of Boots on such reasonable terms and conditions (including as to price) as the trustee considers appropriate to effect an expedient sale. It is estimated that the aggregate revenue attributable to these 96 pharmacies would represent less than 1% of the Enlarged Group's combined revenue. Boots does not believe that the divestments contemplated by the undertakings will have a material effect on the Enlarged Group.

Save as otherwise provided, the information contained in this Part I does not take into account the divestments contemplated by the undertakings agreed with the OFT.

9. Current Trends in Trading and Prospects

The Boots Group

In the year to 31 March 2006, revenue from continuing operations of the Boots Group increased by 1.9%. Over the same period BTC revenue increased by 1.7% in total and on a like-for-like basis increased by 0.6%, excluding the deflationary impact of the Pharmaceutical Price Regulation Scheme (PPRS) price reductions and the timing of Easter, in a weak consumer environment. The UK retail market is not expected to strengthen significantly in the near future although Boots will continue, through the series of initiatives outlined in Boots' announcement of its preliminary results for the year ended 31 March 2006, to drive performance. These initiatives include a continued focus on healthcare, the continued development and promotion of own label products, the modernisation of stores and addition of new retail space, and the delivery of cost savings by driving efficiency.

Since 1 April 2006, trading in the Boots Group remains in line with the Boots Board's current expectations for the year ending 31 March 2007.

The Alliance UniChem Group

In the first quarter of 2006, the Alliance UniChem Group delivered another strong financial performance, in line with its expectations outlined at the time of its 2005 preliminary results announcement.

Overall growth in wholesale markets during this period was broadly in line with Alliance UniChem's expectations, taking into account the anticipated effect of regulatory reviews. The retail division again performed strongly and growth continued with a net 17 pharmacies added during the quarter. In England and Wales the number of Medicines Use Reviews conducted by accredited pharmacists continued to grow.

Overall performance from associate businesses continues to be strong.

The Alliance UniChem Group continues to seek opportunities to expand in existing and new markets. Since the beginning of the year it entered the Russian pharmaceutical wholesale market through the acquisition of Apteka Holding Z.A.O. and its Turkish associate, Hedef Alliance Holding A.S., acquired control and majority ownership of an associate in Egypt.

10. Dividend Policy

Following Completion, consistent with the Enlarged Group's enhanced growth strategy, Boots intends to follow a progressive dividend policy which balances returns to shareholders with the need to retain sufficient funds for investment in growth opportunities. In setting its initial dividend, it is expected that, as from the Effective Date, Boots will target a dividend cover of 2.0 to 2.5 times.

11. Listing and Admission to Trading

Application has been made to the UKLA and the London Stock Exchange for the New Boots Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. Application has not been and will not be made for the New Boots Shares to be admitted to, or to trade on, any other stock exchange.

It is expected that Admission will take place at 8.00 a.m. on the Effective Date (which is currently expected to be 31 July 2006).

12. Risk Factors

You should consider carefully the following information in conjunction with the other information contained in this document and the Prospectus (particularly the section entitled "Risk Factors" in the Prospectus). The risk factors mentioned in the Prospectus and below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. The information is given at the date of the Prospectus, and is not updated. Risks and uncertainties not presently known, or that are currently deemed immaterial may also impair the Boots Group's, the Alliance UniChem Group's and the Enlarged Group's business operations and prospects.

A number of factors affect the Boots Group's, the Alliance UniChem Group's and, following Completion, will affect the Enlarged Group's operating results, financial condition and prospects. In particular, you should consider the specific risks summarised below:

- the Enlarged Group may be adversely affected by changes to existing regulation, the introduction of new regulation and/or a failure to comply with regulation;
- the Enlarged Group may be adversely affected by changes and trends in retail and consumer spending and preferences and will also be dependent, in part, on the "Boots" brand and reputation and certain of the Boots Group's, and the Alliance UniChem Group's, trading brands;
- the Enlarged Group will operate in highly competitive markets;
- the Enlarged Group may be required to increase its contributions to cover an increase in the cost of funding future pension benefits and/or to cover funding shortfalls under the Enlarged Group's defined benefit pension schemes;
- the Enlarged Group's strategy is expected to include acquiring businesses and associate interests to complement its business portfolio. Any such acquisitions effected by the Enlarged Group in existing and new geographic markets and related business areas will carry inherent risks;
- the Enlarged Group will be dependent on the continued operation of its warehousing, logistics and information technology systems, and the occurrence of major operational problems could have an adverse effect on the results of the Enlarged Group; and
- the Enlarged Group will have potential exposures to liability claims arising from (amongst other things) the supply of defective products.

13. Boots Extraordinary General Meeting and Resolutions

The notice convening the Boots Extraordinary General Meeting, at which the Resolutions will be proposed, is set out at the end of this document. The full text of the Resolutions is set out in the notice.

The implementation of the Merger is conditional upon the passing of each of the Merger Resolutions. The Merger Resolutions are Resolutions 1 to 8 (inclusive) and Resolution 10.

If the Boots Shareholders fail to pass any Merger Resolution (save for any Frustrated Resolution), the Merger will not proceed and, in addition, Boots will become liable to pay an inducement fee of £43 million (inclusive of amounts in respect of VAT) to Alliance UniChem.

The implementation of the Merger is not conditional upon the passing of Resolution 9, the proposed appointment, subject to Completion, of Scott Wheway as a Director of the Company or Resolution 11, the proposed change, subject to Completion, of the Company's corporate name to "Alliance Boots plc". In addition, Boots will not become liable to pay the inducement fee referred to above as a result of the Boots Shareholders failing to pass Resolution 9 and/or Resolution 11.

Resolution 1

Resolution 1 will be proposed as an ordinary resolution requiring a simple majority of votes in favour. The Merger will not proceed, and Boots will become liable to pay the inducement fee referred to above, if Resolution 1 is not passed.

Resolution 1 proposes that, subject to the passing of Resolutions 2 to 8 (inclusive) (save for any Frustrated Resolution) and Resolution 10:

- the Merger be approved and the Directors of Boots be authorised to implement the Merger;
- the authorised share capital of the Company be increased from 806,896,506 to 1,288,743,534 Boots Shares by the creation of 481,847,028 Boots Shares. This number of Boots Shares represents an increase of approximately 59.7% of the authorised share capital of Boots as at 31 May 2006, the latest practicable Business Day prior to publication of this document, and approximately 37.4% of the enlarged authorised share capital of Boots immediately following the issue of the New Boots Shares. The purpose of this authority is to enable the Company to allot the New Boots Shares in connection with the Merger and to retain sufficient headroom for its purposes generally. If this resolution is passed, and the Merger proceeds, on the Effective Date there will be 321,179,327 authorised but unissued Boots Shares assuming that (1) the maximum number of 481,846,975 New Boots Shares are issued pursuant to the Merger and (2) no Boots Shares are issued in the period from the publication of this document to the Effective Date; and
- the Directors of Boots be authorised to allot Boots Shares in connection with the Merger up to an aggregate nominal amount of £179,148,254 (representing, in aggregate, 481,847,028 New Boots Shares). This authority will expire on the fifth anniversary of the passing of the resolution and is in addition to any subsisting authorities to allot shares in Boots. These Boots Shares represent approximately 99.2% of the issued share capital of the Company as at 31 May 2006, the latest practicable Business Day before the publication of this document and approximately 49.8% of the expected enlarged share capital of the Company immediately following Completion (assuming in each case that the maximum number of 481,846,975 New Boots Shares are issued pursuant to the Merger and that no Boots Shares are issued in the period from publication of this document to the Effective Date).

Resolutions 2 to 8 (inclusive)

Each of Resolutions 2 to 8 (inclusive) will be proposed as an ordinary resolution requiring a simple majority of votes in favour. Save as discussed below, the Merger will not proceed, and Boots will become liable to pay the inducement fee referred to above, if any of Resolutions 2 to 8 (inclusive) is not passed.

Resolutions 2 to 8 (inclusive) approve, subject in each case to the passing of each of the other Merger Resolutions and to Completion occurring, the appointment of each of Stefano Pessina, George Fairweather, Ornella Barra, Steve Duncan, Adrian Loader, Patrick Ponsolle and Manfred Stach as Directors of Boots.

The Merger will not lapse, and Boots will not become liable to pay the inducement fee referred to above, if any of Resolutions 2 to 8 (inclusive) is not passed as a result of Stefano Pessina, George Fairweather, Ornella Barra, Steve Duncan, Patrick Ponsolle or Manfred Stach (as the case may be) dying, becoming incapacitated or ceasing to be willing or able to be nominated as a Director of Boots. Boots has agreed, pursuant to the Framework Agreement, that, in such circumstances, the Boots Board will appoint an alternative person nominated by Alliance UniChem as a Director of Boots with effect from the Effective Date.

Resolution 9

Resolution 9 will be proposed as an ordinary resolution requiring a simple majority of votes in favour.

Resolution 9 approves, subject only to Completion occurring, the appointment of Scott Wheway as a Director of Boots. The Merger is not conditional on the passing of this Resolution.

Resolution 10

Boots and Alliance UniChem have different policies on the retirement of Directors. The Boots Articles currently provide that a Director must retire at any annual general meeting after he shall have attained the age of 65 (unless during the four months preceding that annual general meeting he be requested by the Boots Board to continue in office). Alliance UniChem's articles of association contain no such provision. In light of the fact that two of the Proposed Directors, Stefano Pessina and Manfred Stach, will attain the age of 65 before the first annual general meeting of Boots following Completion, Boots and Alliance UniChem have agreed that as a Condition of the Merger, the Boots Articles should be amended to remove the retirement provision referred to above.

Resolution 10 will be proposed as a special resolution requiring a 75% majority of votes in favour. The Merger will not proceed, and Boots will become liable to pay the inducement fee referred to above, if Resolution 10 is not passed.

Resolution 10 approves, subject to the passing of each of Resolutions 1 to 8 (inclusive) (save for any Frustrated Resolution) and to Completion occurring, an amendment to the Articles to remove the requirement for a Boots Director to vacate the office of Director of Boots at the first annual general meeting after becoming 65 unless during the four months preceding that annual general meeting, he is requested by the Board of Boots to remain in office.

The full terms of this resolution will be available for inspection at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY from the date of this circular to the date of the Boots Extraordinary Meeting and at the place of the meeting for at least 15 minutes before and during the meeting.

Resolution 11

Resolution 11 will be proposed as a special resolution requiring a 75% majority of votes in favour.

Resolution 11 approves, subject to Completion occurring, a change of the Company's corporate name to "Alliance Boots plc". The Merger is not conditional on the passing of this Resolution.

14. Action to be Taken

A Form of Proxy for use in connection with the Resolutions is enclosed. Whether or not you intend to attend the Boots Extraordinary General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand, but in any event so as to be received by the Company's Registrars, Capita Registrars (Proxies), PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 10.00 a.m. on 2 July 2006. Returning a completed Form of Proxy will not prevent you from attending and voting in person at the Boots Extraordinary General Meeting should you wish to do so (and be so entitled).

If you would like to submit your proxy vote electronically you can do so by visiting the Boots Group website, www.boots-ir.com, and selecting "Investor Information". You will require your unique investor code which is shown on the enclosed Form of Proxy. The deadline for the receipt of electronic proxies is 10.00 a.m. on 2 July 2006 (48 hours before the Boots Extraordinary General Meeting). Do not disclose your investor code to anyone else, unless you wish them to give instructions on your behalf. Any electronic communications found to contain a virus will not be accepted.

If you hold existing Boots Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's Registrars, Capita Registrars (CREST participant ID RA10) so that it is received by no later than 10.00 am on 2 July 2006 (48 hours before the Boots Extraordinary General Meeting).

15. Further Information

Your attention is drawn to the further information contained in this document and the Prospectus.

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

16. Recommendation and Voting Intentions

Your Board, which has received financial advice from Goldman Sachs International, considers that the Merger is in the best interests of Boots and Boots Shareholders as a whole and that the terms of the Merger are fair and reasonable. In providing its financial advice, Goldman Sachs International has taken into account the commercial assessments of the Boots Directors.

The Boots Board believes that the Resolutions are in the best interests of Boots and Boots Shareholders as a whole. Accordingly, the Boots Board unanimously recommends you to vote in favour of the Resolutions as the Boots Directors intend to do in respect of their own beneficial shareholdings, amounting in aggregate to 86,036 Boots Shares, representing approximately 0.01 per cent. of the issued share capital of Boots as at 31 May 2006, the latest practicable Business Day prior to posting of this document.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Nigel Rudd', with a small flourish at the end.

Sir Nigel Rudd
Chairman

PART II

ADDITIONAL INFORMATION

1. Directors' Responsibility Statement

The Directors of Boots, whose names appear on page 4 of this document, accept responsibility for the information contained in this document (including the information cross-referred to in paragraph 4 below). To the best of the knowledge and belief of the Directors of Boots (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Working Capital Statement

Boots is of the opinion that, taking account of available facilities and cash resources, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of the publication of this document.

3. New Boots Shares

The New Boots Shares will be issued credited as fully paid, will rank equally with the existing Boots Shares and will be entitled to all dividends and other distributions declared or paid by Boots by reference to a record date on or after the Effective Date. The New Boots Shares will not carry any right to participate in any dividends and other distributions declared or paid by Boots by reference to a record date prior to the Effective Date.

It is expected that the New Boots Shares will be issued, and that Admission of the New Boots Shares will become effective, on the Effective Date.

Fractions of New Boots Shares will not be issued to Alliance UniChem Shareholders pursuant to the Scheme. Instead, fractional entitlements will be aggregated and sold in the market with the net proceeds of such sales, to the extent that they exceed £3, being paid to the persons entitled thereto.

The existing Boots Shares are already admitted to CREST. It is expected that all of the New Boots Shares, when issued, will be capable of being held and transferred by means of CREST. It is expected that the New Boots Shares will trade under ISIN GB00B0P7Y252.

The New Boots Shares will be created under the Companies Act and the legislation made thereunder and will be issued in registered form and will be capable of being held in certificated and uncertificated form.

The New Boots Shares will not be registered under the US Securities Act, and will be issued in the United States pursuant to the Scheme in reliance on the exemption from registration provided by Section 3(a)(10) of that Act. In addition, the New Boots Shares will not be registered under the securities laws of any state of the United States, and will be issued in the United States in reliance on available exemptions from such state law registration requirements.

The New Boots Shares have not been, and will not be, registered under the applicable laws of any Restricted Jurisdiction. Accordingly, the New Boots Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction or to or for the account or benefit of any other national, resident or citizen of any Restricted Jurisdiction.

4. Information Incorporated by Reference from the Prospectus

The following disclosures in the Prospectus are incorporated by reference into this Circular:

<u>Information</u>	<u>Sections of the Prospectus incorporated by reference into the Circular</u>	<u>Page Number</u>
<i>Information on Boots</i>		
Risk factors relating to the Boots Group and the Merger	The section entitled "Risk Factors"	12
Details of the Boots Directors' interests in Boots Shares	Paragraph 6 of Part XII ("Directors, Responsible Persons, Corporate Governance and Employees")	285
The major interests in Boots Shares	Paragraph 4 of Part XIII ("Additional Information")	308
Details of material litigation relating to the Boots Group	Paragraph 13 of Part XIII ("Additional Information")	346
The significant change statement of Boots	Paragraph 11 of Part XIII ("Additional Information")	346
Details of material contracts relating to the Boots Group	Paragraph 9 of Part XIII ("Additional Information")	337
Details of Boots Directors' service contracts	Paragraph 7 of Part XII ("Directors, Responsible Persons, Corporate Governance and Employees")	288
Related party transactions relating to Boots	Paragraph 8 of Part XIII ("Additional Information")	336
<i>Information on Alliance UniChem</i>		
Risk factors relating to Alliance UniChem	The section entitled "Risk Factors"	12
Financial information relating to Alliance UniChem	Part VIII ("Historical Financial Information Relating to the Alliance UniChem Group")	138
Accounting policies and estimates and accompanying accountant's report	Part X ("Accounting Policies and Estimates")	276

<u>Information</u>	<u>Sections of the Prospectus incorporated by reference into the Circular</u>	<u>Page Number</u>
Details of material contracts relating to the Alliance UniChem Group	Paragraph 9 of Part XIII ("Additional Information")	337
Details of material litigation relating to the Alliance UniChem Group	Paragraph 13 of Part XIII ("Additional Information")	346
The significant change statement of Alliance UniChem	Paragraph 11 of Part XIII ("Additional Information")	346
Details of the Proposed Directors	Paragraph 5 of Part XII ("Directors, Responsible Persons, Corporate Governance and Employees")	284
Details of Proposed Directors' service contracts	Paragraph 7 of Part XII ("Directors, Responsible Persons, Corporate Governance and Employees")	288
<i>Pro Forma Information</i>		
Pro forma statement of the Enlarged Group and accompanying accountant's report	Part IX ("Information on the Expected Impact of the Merger on the Assets and Liabilities of the Boots Group")	271

5. Registered Office

The Registered Office of Boots is 1 Thane Road West, Nottingham NG2 3AA. The telephone number of the Registered Office is +44 (0) 115 950 6111.

6. Consents

6.1 Goldman Sachs International

Goldman Sachs International has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

6.2 KPMG Audit Plc

KPMG Audit Plc has given and not withdrawn its written consent to the incorporation by reference in this document of its reports in the form and context in which they are included.

7. Documents on Display

Copies of the documents referred to in Part XIII ("Additional Information") of the Prospectus, the written consents referred to in paragraph 6 above and the announcement dated 3 October 2005 relating to the Merger will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from the date of publication of this document until Admission at:

- (i) the registered office of the Company; and
- (ii) the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY.

Dated 5 June 2006

BOOTS GROUP PLC

*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 4452715)*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of Boots Group PLC (the "**Company**") will be held at The Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT at 10.00 a.m. on 4 July 2006, for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 9 (inclusive) will each be proposed as an ordinary resolution and resolutions 10 and 11 will each be proposed as a special resolution:

ORDINARY RESOLUTIONS

Resolution 1:

THAT, subject to the passing of resolutions 2 to 8 (inclusive) (except for any such resolution(s) which is not passed as a result of the death or incapacity of the person named in such resolution or as a result of the person named in such resolution ceasing to be willing or able to be nominated as a director of the Company, any such resolution being referred to as a "**Frustrated Resolution(s)**"), and resolution 10:

- (A) the proposed merger (the "**Merger**") with Alliance UniChem Plc ("**Alliance UniChem**"), whether implemented by way of scheme of arrangement of Alliance UniChem ("**Scheme**") or takeover offer (the "**Offer**") made by or on behalf of the Company for the entire issued share capital of Alliance UniChem, substantially on the terms and subject to the conditions set out in the announcement relating to the Merger issued by the Company on 3 October 2005 (a copy of which is produced to the Meeting and signed for identification purposes by the Chairman of the Meeting) be and is hereby approved and the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be authorised (1) to take all such steps as may be necessary or desirable in connection with, and to implement, the Merger; and (2) to agree such modifications, variations, revisions or amendments to the terms and conditions of the Merger (provided such modifications, variations, revision or amendments are not material), and to any documents relating thereto, as they may in their absolute discretion think fit;
- (B) and subject further to the Scheme becoming or being declared wholly unconditional (save for the delivery of the orders of the High Court of Justice in England and Wales sanctioning the Scheme and confirming the reduction of capital of Alliance UniChem to the Registrar of Companies in England and Wales (the "**Court Sanction**"), the registration of such orders by the Registrar of Companies in England and Wales ("**Registration**"), and the admission of the ordinary shares of 37⁷/₃₉ pence each to be issued in connection with the Merger to the Official List of the UK Listing Authority and to trading on the main market of the London Stock Exchange ("**Admission**")), or, as the case may be, the Offer becoming or being declared wholly unconditional (save only for Admission), the authorised share capital of the Company be and is hereby increased from £299,999,279 to £479,148,237 by the creation of 481,847,028 new ordinary shares of 37⁷/₃₉ pence each in the Company; and
- (C) and subject further to the Scheme becoming or being declared wholly unconditional (save for the Court Sanction, Registration and Admission), or, as the case may be, the Offer becoming or being declared wholly unconditional (save only for Admission), pursuant to Section 80 of the Companies Act 1985, and in addition to any previously existing authority conferred upon the Directors under that section, the Directors be and are hereby authorised unconditionally to allot relevant securities (as defined in the said section 80) in connection with the Merger up to an aggregate nominal amount of £179,148,254, which authority shall expire on the fifth anniversary of the passing of this resolution, save that the Company may allot relevant securities in connection with the Merger pursuant to any agreement entered

into at any time prior to the fifth anniversary of the passing of this resolution (whether before or after the passing of this resolution) which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such agreement as if the authority conferred hereby had not expired.

Resolution 2:

THAT, subject to the passing of resolution 1, resolutions 3 to 8 (inclusive) (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Stefano Pessina be appointed as an additional director of the Company.

Resolution 3:

THAT, subject to the passing of resolution 1, resolutions 2 and 4 to 8 (inclusive) (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, George Fairweather be appointed as an additional director of the Company.

Resolution 4:

THAT, subject to the passing of resolution 1, resolutions 2 and 3 and resolutions 5 to 8 (inclusive) (except for any Frustrated Resolution(s)), and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Ornella Barra be appointed as an additional director of the Company.

Resolution 5:

THAT, subject to the passing of resolution 1, resolutions 2 to 4 (inclusive) and resolutions 6 to 8 (inclusive) (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Steve Duncan be appointed as an additional director of the Company.

Resolution 6:

THAT, subject to the passing of resolution 1, resolutions 2 to 5 (inclusive) and resolutions 7 and 8 (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Adrian Loader be appointed as an additional director of the Company.

Resolution 7:

THAT, subject to the passing of resolution 1, resolutions 2 to 6 (inclusive) and resolution 8 (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Patrick Ponsolle be appointed as an additional director of the Company.

Resolution 8:

THAT, subject to the passing of resolutions 1 to 7 (inclusive) (except for any Frustrated Resolution(s)) and resolution 10 and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Manfred Stach be appointed as an additional director of the Company.

Resolution 9:

THAT, subject to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, Scott Wheway be appointed as an additional director of the Company.

SPECIAL RESOLUTIONS

Resolution 10:

THAT, subject to the passing of resolutions 1 to 8 (inclusive) (except for any Frustrated Resolution(s)) and to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, the articles of association of the Company be amended by:

(i) the deletion of the following words from article 95:

“or

(h) at any annual general meeting after he shall have attained the age of 65 unless during the four months preceding that annual general meeting he be requested by the board to continue in office.”

and their replacement with “.”; and

(ii) the deletion of the following words from article 85:

“Without prejudice to article 95(h) no” and their replacement with “No”; and

Resolution 11:

THAT, subject to the Scheme becoming effective, or, as the case may be, the Offer becoming or being declared wholly unconditional, the Company be renamed “Alliance Boots plc”.

5 June 2006

By order of the Directors

Michael Oliver
Company Secretary

Registered No 4452715
Registered office: 1 Thane Road West
 Nottingham
 NG2 3AA

Notes:

1. If any of resolutions 2 to 8 (inclusive) are not passed as a result of the death or incapacity of the person named in such resolution or as a result of the person named in such resolution ceasing to be willing or able to be nominated as a director of the Company, the Company has undertaken to procure that the Directors will appoint a person nominated by Alliance UniChem as an additional Director, each such appointment to become effective on the Effective Date.
2. A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and, on a poll, vote instead of him and a form is enclosed for the use of members unable to attend the meeting. Members who have lodged Forms of Proxy are not thereby prevented from attending the meeting and voting in person if they so wish. A proxy need not be a member of the Company.
3. To be effective, the Form of Proxy (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) must be lodged at the offices of Capita Registrars (Proxies), PO Box 25, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company at 6.00 pm (London time) on the day two days before the meeting or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of the meeting or any adjourned meeting shall be entitled to attend and vote at the relevant meeting in respect of the number of ordinary shares registered in their names at any time. Changes to the entries on the register of members after this time, or in the event that this meeting is adjourned, in the register of members after 6.00 pm on the day two days before the date of the adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's Registrars, Capita Registrars (CREST participant ID RA10) not later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

