

Marwyn Value Investors Limited

Interim results announcement for the six months ended 30 June 2008 (unaudited)

Marwyn Value Investors Limited (formerly Marwyn Value Investors II Limited) (the 'Company'), (AIM: MVI), the AIM quoted company which allows investors access to the investment strategy pursued by the Marwyn Neptune Fund L.P., today announces an extended version of the interim results (unaudited) for the 6 months ended 30 June 2008, as announced on 30 September 2008.

Additional information is being provided in this extended version of the interim results following their review by the Company's auditors and, accordingly, this announcement provides a greater level of detail in respect of the amalgamation between Marwyn Value Investors Limited and Marwyn Value Investors II Limited on 11 March 2008.

This additional information provided has no effect on the Net Asset Value as previously announced.

These interim results have been prepared in accordance IFRS and accordingly the amalgamation has been recorded using the acquisition method of accounting and will be consistent with the audited annual financial statements. The previous version announced on 30 September 2008 was prepared using the merger method of accounting. As a result the following differences should be noted:

- The income statement now includes only the income and expenses of the Company for the period and not the aggregate of the two companies.
- The income statement includes an excess of net assets acquired over cost.
- The comparatives included on the balance sheet are those of the Company at 31 December 2007 and not a restated aggregate of the two companies at 30 June 2007.
- The Statement of Changes in Equity accounts for the issue of Ordinary Shares and Warrants on the deemed acquisition of Marwyn Value Investors Limited calculated at market value on the date of the amalgamation.
- The Net Asset Value per ordinary share has not changed.

Highlights:

- first results following the Company's amalgamation which completed in April 2008;
- Marwyn Neptune Fund L.P. has returned net asset value growth of 61.5% since launch in March 2006, equating to considerable out performance over UK and European indices;
- Company net asset value decline in the period of 13.25% compared to FTSE Small Cap decline of 16.1%;
- underlying performance of the portfolio companies remains solid, demonstrating their defensive qualities;
- leverage within portfolio companies remains prudent, allowing flexibility for further investment and growth in the future;
- trading discount to the NAV being addressed; and
- potential move to the Specialist Funds Market and potential share buyback programme.

David Williams, Chairman said:

“Whilst the broad economic environment is challenging, we remain confident in the investment strategy pursued by the Marwyn Neptune Fund and its ability to generate returns over its portfolio company investment lifecycles.”

Enquiries:

Collins Stewart Europe Limited

Nominated Adviser

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Chairman's Statement

I am pleased to present to the shareholders the unaudited Interim Report and Financial Statements of the Company for the six months ended 30 June 2008. In implementing the Company's investment objective the Company remained fully invested in Marwyn Neptune Fund L.P. (the "Master Fund").

These unaudited Interim Financial Statements are the first to be presented by the Company following the successful amalgamation of the Company and Marwyn Value Investors Limited which completed on 18 April 2008. With the approval of the Royal Court of Guernsey the Company changed its name to Marwyn Value Investors Limited on 25 April 2008.

The investment strategy of the Master Fund remains the same as previous periods and the Master Fund continues to identify, support, invest in and work alongside experienced operational managers with strong demonstrable track records for building and managing small and mid-cap UK, European and North American businesses (under £1 billion in market capitalisation), combining private equity and public market best practice and disciplines to deliver investment returns.

Investment Performance

The basic net asset value per ordinary share of Marwyn Value Investors fell during the period by 16.6 pence to 108.68 pence, a fall of 13.25%; the net asset value of the Master Fund fell by 12.40% in the same period. A summary of the Master Fund returns as against various benchmarks for the period and from inception is set out below::

Performance	Master Fund	FTSE All Share	FTSE Small Cap	MSCI Europe
Year to date (to 30/6/ 2008)	(12.4%)	(13.1%)	(16.1%)	(20.6%)
Since inception (1/3/2006 to 30/6/2008)	61.5%	(4.2%)	(20%)	(12.8%)

Trading Discount to Net Asset Value

Since 30 June 2008 the basic net asset value per ordinary share has fallen further to an estimated 106.53 pence as at 31 August 2008. This has not been adjusted for any potential

warrant exercise dilution. As at 30 June 2008 the discount of the share price to net asset value was 25.0% and this has further increased to 39.5% as at 31 August 2008.

Due to the widening of the discount of the share price to net asset value during the period the Board has held discussions with the Company's advisers and is consequently reviewing a range of possible steps to address this discount. These include:

- increased disclosure of the Master Fund's underlying portfolio investments to assist current and potential investors in better understanding the quality of the fund investments;
- the transfer of the Company to the Specialist Funds Market of the London Stock Exchange;
- securing increased research coverage of the Company to assist current investors and those investors considering purchasing in the secondary market; and
- the repurchase of ordinary shares.

We have enclosed a more detailed description of the Master Fund's portfolio companies and the Board anticipates providing further detail on the other steps to address the net asset value discount as we progress through the year.

Whilst the broad economic environment is challenging, we remain confident in the investment strategy pursued by the Master Fund and its ability to generate returns over its portfolio company investment lifecycles.

David Williams
Chairman

MASTER FUND INVESTMENT MANAGERS' REPORT

The first half of this year has obviously been a challenging environment for all value based investors with market turbulence compounded by rising illiquidity affecting investor sentiment, access to capital and market valuations. Despite this the portfolio has remained stable with underlying trading across companies being strong; our focus on companies with strong cash flow generation and market share as well as sectors which we believe demonstrate strong defensive characteristics is standing us in good stead.

In addition, our policy of maintaining low degrees of leverage within the underlying portfolio companies is bearing fruit in this market environment, giving our investee companies' the firepower to continue to invest internally or through acquisition whilst many of their peers either find themselves unable to do so or in a position of distress.

Performance has been closer to the wider market performance than we would normally expect although the factors contributing to the small net asset value decline for the year are more attributable to the performance of certain individual investments rather than the general performance of the portfolio.

Based upon the Company's investment in the Master Fund, the Company's total net asset value is broken down across the following companies in the following percentages as at 30 June 2008:

Allocation of Marwyn Value Investors net asset value by company

Company	Ticker	Sector	% of NAV
Advanced Computer Software	ASW LN	Healthcare Software	5.8%
Concateno	COT LN	Drug & Alcohol Testing	30.1%
Entertainment One	ETO LN	Entertainment Rights	30.8%
Marwyn Materials	MMAT LN	Construction Materials	7.3%
Melorio	MLO LN	Vocational Training	6.1%
Praesepe	PRA LN	Gaming	10.9%
Silverdell	SID LN	Asbestos Services	7.2%
Zetar	ZTR LN	Specialty Confectionary	1.7%

Our outlook for the remainder of the year remains unsurprisingly cautious given the market environment. In the instances where we have had challenges in the portfolio we have substantially progressed in addressing them but in the vast majority, we continue to see them executing their strategies from a position of strong cash generation, low leverage, strong market share all driven by excellent management teams.

PORTFOLIO COMPANIES

Company: Advanced Computer Software plc ("ASW")

Sector: **Health Care Software**

Ticker: **ASW LN**

Strategy and Opportunity:

ASW has identified the opportunity to consolidate the fragmented healthcare software and services market with a focus on Primary Care (the provision of first line patient services such as GPs, Walk-in-Centres, District Nursing and Out-of-Hours services).

Management Biography:

Led by Michael Jackson as Chairman with Vin Murria as CEO. Michael Jackson is the Founder and Chairman of Elderstreet Investments Limited and has 25 years experience in raising finance and investing in the smaller companies sector including PartyGaming plc, The Sage Group plc, Computer Software Group plc, Planit Holdings and Netstore plc. Vin Murria has over 20 years' experience of working for venture capital, private equity and publicly listed companies focused on the software sector including CEO of Computer Software Group plc, European COO for Kewill Systems plc and Chairman of Leeds Group plc.

Progress over the Period:

During H1 2008, ASW (formerly known as Drury Lane Capital plc) pursued a range of potential acquisition targets and identified an exciting prospect and strong management team in the healthcare software and services sector. Post the period end ASW, in line with its stated strategy, appointed Vin Murria and Michael Jackson to their respective roles and completed the acquisition of Adastra Software Limited, together with the successful raise of £14.6 million (before expenses) by the way of a placing to institutional and other investors at a price of 17p.

Investment Performance:

The share price of the company was unchanged over the 6 month period to 30 June 2008, at 17.5p.

Company: **Concateno plc (“Concateno”)**

Sector: **Drug and Alcohol testing**

Ticker: **COT LN**

Strategy and Opportunity:

Concateno has identified the opportunity to create a dominant position in the European drug and alcohol testing sector. The strategy has been to focus on the UK and Scandinavian markets which, although less developed than the mature US market, are characterised by higher margins and more robust growth patterns and in which Concateno enjoys strong revenue visibility with long term contracts and high customer retention.

Management Biography:

Keith Tozzi (Chairman) has wide experience at board level in creating and developing successful businesses, including as Group Technical Director of Southern Water plc from 1992 to 1996, Chief Executive of the British Standards Institution from 1996 where he grew annual turnover by over £100 million to £211 million in 2000, enjoying extensive experience acquiring businesses in the UK, South America and Eastern Europe to leverage the brand and, until its takeover by 3i in February 2008, Non-Executive Chairman of Inspicio plc.

Fiona Begley (Chief Executive Officer) has significant experience in the drug and alcohol testing sector, having joined Medscreen in 1996 as Sales and Marketing Manager. She was appointed General Manager in 1998 and Managing Director in 2000 and led the management buy out from PharmChem in 2002. Her previous experiences have included management roles for Syva UK and Behring Diagnostics UK with a focus on business development and marketing in the diagnostics industry. Prior to 1992 Fiona was a product manager and biochemist in the pharmaceuticals and biotechnology sector.

Progress over the Period:

Following its consolidation of the drug and alcohol testing sector in 2007 with six acquisitions including Cozart plc, during H1 2008 Concateno has been undergoing a program of restructuring to streamline its operations and gain the benefits of synergies. This process is now largely finalised and has been aimed at significantly improving the group operating margin through the closure of laboratories and the migration of acquired operating structures onto Medscreen and Cozart's highly efficient operating platforms. Currently this margin improvement has begun to be shown in the interim results of 30 June 2008 and is expected to further improve in FY08.

Investment Performance:

During the period to 30 June 2008 Concateno's share price rose from 128p to 135p.

Company: Entertainment One Limited (“E1”)

Sector: Entertainment Rights Distribution

Ticker: ETO LN

Strategy and Opportunity:

E1 has identified the strategy to create a leading international independent film distribution business through the acquisition of leading local independent distributors alongside organic growth in the form of output deals and increased investment in content acquisition. The film distribution market is experiencing steady growth. Key non-US markets are characterised by established local independent distributors with no international reach providing the scope to build a multi-territory distributor to take advantage of benefits of scale, margin enhancement and increased revenue opportunities whilst offering a genuine alternative to the major studio distribution model.

Management Biography:

Darren Throop (CEO) and Patrice Theroux (President of Filmed Entertainment) have combined experience of over 40 years in the industry. Before joining E1, Patrice was CEO of Motion Picture Distribution, an international film distribution business with operations in Canada, UK and Spain. Giles Willits (CFO) was previously Director of Group Finance of J Sainsbury plc and CFO of EUK, the leading UK distributor of home entertainment product.

Progress over the Period:

E1 announced the acquisition of R.C.V. Entertainment B.V., the leading independent distributor in Holland and Belgium in January 2008. In June 2008, the company announced its results to the year ended 31 March 2008, which were in line with market expectations. During the period E1 also announced distribution deals with Yari Film Group and THINKFilm.

Investment Performance:

The share price declined from 103p to 83.5p during the period to 30 June 2008 as a result of difficult equity market conditions.

Company: Marwyn Materials Limited (“Marwyn Materials”)

Sector: Building Materials

Ticker: MMAT LN

Strategy and Opportunity:

Marwyn Materials has identified the opportunity to create value for shareholders through a properly executed, acquisition led strategy in the international building materials industry focusing on the UK, Eastern Europe and the US. Whilst the UK and international building materials markets are generally well consolidated and dominated by a small number of key players, the smaller end of the market remains fragmented and management believes that shareholder value can be created through market consolidation. Given recent economic uncertainty and the sector wide rerating of building related stocks, management believe that the current climate represents an opportunity to make acquisitions on significantly lower valuations. In the long term management believe that the prospects for the building materials sector are favourable, with infrastructure spending expected to continue to grow and partially offset the downturn in private construction. Public and private building demand in Eastern European is expected to continue to expand and the private sector building market is expected to begin recovery within 2 years.

Management Biography:

Peter Tom CBE (Executive Chairman), has more than 50 years' experience in the aggregates industry, starting at Bardon Hill Quarries Ltd, where he became CEO in 1985. Peter expanded the group, which went on to become Aggregate Industries plc and led the negotiations which resulted in its successful acquisition by Holcim in 2005.

Simon Vivian (Chief Executive Officer) has over 20 years' experience in aggregates and construction. Most recently he was CEO of Mowlem plc and negotiated the takeover of Mowlem by Carillion plc in 2005. Prior to Mowlem, Simon worked in a number of roles at Hanson plc, ultimately as CEO of its European Building Materials business.

Ian Peters (Finance Director) has more than 20 years' experience in the international building materials industry, initially in financial controller roles within the UK aggregates business of Hanson. Following the demerger of Hanson PLC in 1997, Ian was appointed group financial controller, and was involved in the completion of £2.5 billion of acquisitions. He went on to become finance and development director of Hanson Building Materials Europe between 2000 and 2003. After a year as finance director, for Continental Europe and Asia, in 2004 Ian was appointed general manager, Continental Europe.

Progress over the Period:

Marwyn Materials raised £13.6 million of equity and was admitted to trading on AIM in June with the objective of pursuing acquisition opportunities in the international building materials sector.

Investment Performance:

During the period to 30 June 2008 Marwyn Materials' share price rose from 10p (being the subscription price at IPO on 12 June 2008) to 17.5p

Company: Melorio plc ("Melorio")

Sector: Support Services

Ticker: MLO LN

Strategy and Opportunity:

Melorio has identified the opportunity to consolidate the leading private providers delivering training to certain identified sectors. Addressing the UK skills deficit through vocational training is a key government initiative; representing a strong and expanding market with the total 2007-08 government funding budget up 6.7% to £11.2bn.

Management Biography:

Adrian Carey (Executive Chairman) has 20 years experience in the technology and support services sectors; former CEO of HCTC Limited and a former director of the Association of Learning Providers.

Alex Sheffield (CFO) is a former partner at boutique investment bank Livingstone Partners; he has extensive transactional experience in vocational training sector including the sale of HCTC Limited to VT Group plc and the sale of Sheffield Trainers Limited to Sovereign Capital.

Progress over the period:

The company reported excellent underlying performance in its maiden results for the period from incorporation on 8 August 2007 to 31 March 2008.

Investment Performance:

Despite excellent trading performance the shares declined from 105p to 81p during the period.

Company: Praesepe plc ("Praesepe")

Sector: Gaming

Ticker: PRA LN

Strategy and Opportunity:

Praesepe has identified the opportunity to consolidate the fragmented low-stake / high-volume ("LSHV") gaming market across the UK and Europe to create a unique vehicle and of substantial scale. Its pipeline of opportunities are being driven by the current challenging operating environment, e.g. the UK smoking ban, changes to machine regulations and the increased regulatory burden

Management Biography:

Nick Hardings, Praesepe's CEO is one of the leading UK gaming sector managers with relevant experience at Talarius plc, Rank Group, Ladbrokes and Corals. Nick is currently President of BACTA (trade association), trustee of the Responsibility in Gambling Trust, an advisor to GamCare and was the founding chairman of iGGBA (the UK's first interactive gaming association) and accordingly is well known and respected in the industry. Nick is supported by Susan Ball (CFO), the former CFO of Unibet.

Progress over the period:

Following Nick's appointment as CEO in November 2006, Praesepe focused its strategy on LSHV gaming. Praesepe made its first acquisition, being 31 "Shipleys Amusements" Adult Gaming Centres throughout the Midlands and Wales for £25m.

Investment Performance:

During the period the share price declined slightly from 30p to 29p

Company: Silverdell plc ("Silverdell")

Sector: Support Services

Ticker: SID LN

Strategy and Opportunity:

Silverdell has identified the opportunity to consolidate key businesses within this high growth, fragmented sector to fully exploit the market opportunity. Its ultimate objective is to create a nationwide, full service provider capable of providing remediation and consultancy services across diverse end user markets including government, retail, utilities, nuclear, marine and petrochemical. The asbestos services market is experiencing annual growth of c.15%, driven by regulatory requirements and the increasing threat of litigation.

Management Biography:

Danny Spicer (CEO) and Sean Nutley (COO) have combined experience of over 45 years in both operational and managerial roles in the industry with Silverdell (UK) Limited.

Progress over the period:

In the first half of its financial year Silverdell experienced delays to certain major contracts and also undertook some lower margin work, both of which led to significantly reduced first half performance. The company made no acquisitions.

Investment Performance:

The share price declined from 144p to 67p during the period in light of revised performance expectations for the current year to 30 September 2008.

Company: Zetar plc ("Zetar")

Sector: Speciality Confectionary

Ticker: ZTR LN

Strategy and Opportunity:

Zetar has identified the opportunity to acquire businesses operating in the confectionery, snack foods and related sectors. The fragmented nature of the European confectionery market, an increased demand for healthier snack products, and increasing industry regulation have presented an opportunity for consolidation.

Management Biography:

Ian Blackburn, Chief Executive has been Chief Executive since Zetar was listed in January 2005. He is a Chartered Accountant who previously worked for KPMG and was Chief Executive and, before that, Finance Director of Perkins Foods between 1988 and 2003.

Clive Beecham, Group Managing Director joined the Board in April 2005 and has been Group Managing Director since July 2006. He was a co-founder of Kinnerton in 1978 and has been its Managing Director since its inception. He continues to have board responsibility for the Kinnerton Group as well as leading Zetar's operational initiatives related to product, packaging and customers.

Progress over the Period:

In the preliminary results the company announced revenues ahead by 12%, growth in underlying operating profits of up by 3% but a 13% reduction in EPS given investment by Zetar in its new baked snacks division.

Investment Performance:

The share price declined from 515p to 315p during the period in light of the revised performance.

Marwyn Value Investors Limited

INCOME STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008

**For the six month period
ended 30 June 2008
(unaudited)**

**For the six month period
ended 30 June 2007
(unaudited)**

	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
INCOME						
Bank interest	6,270	-	6,270	23,197	-	23,197
Excess of net assets acquired over cost (Loss)/Gain on investments held at fair value through profit or loss	-	8,418,391	8,418,391	-	-	-
	-	(11,554,378)	(11,554,378)	-	8,865,396	8,865,396
	6,270	(3,135,987)	(3,129,717)	23,197	8,865,396	8,888,593
EXPENSES						
Directors' fees	26,721	-	26,721	24,699	-	24,699
Administration fees	40,051	-	40,051	16,689	-	16,689
Legal and professional fees	8,490	-	8,490	-	-	-
Regulatory expenses	7,410	-	7,410	7,445	-	7,445
Audit fees	9,484	-	9,484	4,000	-	4,000
Registrars fees	3,026	-	3,026	6,793	-	6,793
Exempt fee	600	-	600	1,200	-	1,200
Formation expenses	-	-	-	8,800	-	8,800
Other expenses	10,665	-	10,665	21,320	-	21,320
	106,447	-	106,447	90,946	-	90,946
(LOSS)/PROFIT FOR THE PERIOD	<u>(100,177)</u>	<u>(3,135,987)</u>	<u>(3,236,164)</u>	<u>(67,749)</u>	<u>8,865,396</u>	<u>8,797,647</u>
Return per Ordinary Share - basic (pence per share)	(0.26)	(8.26)	(8.52)	(0.21)	26.86	26.65
Return per Ordinary Share - diluted (pence per share)	(0.26)	(8.26)	(8.52)	(0.08)	10.58	10.50

The total column of this statement represents the Income Statement of the Company, prepared in accordance with IFRS. The revenue and capital columns represent supplementary information prepared under guidance published by the Association of Investment Trust Companies. All items in the above statement derive from continuing operations.

BALANCE SHEET

30 JUNE 2008

30 June 2008
(unaudited)

31 December 2007
(audited)

NON CURRENT ASSETS	£	£
Unquoted investments held at fair value through profit or loss	89,047,801	41,069,330
CURRENT ASSETS		
Prepayments	20,544	-
Cash and cash equivalents	317,420	273,834
	<u>337,964</u>	<u>273,834</u>
TOTAL ASSETS	<u>89,385,765</u>	<u>41,343,164</u>
CURRENT LIABILITIES		
Accruals	<u>(96,324)</u>	<u>(38,463)</u>
NET ASSETS	<u>89,289,441</u>	<u>41,304,701</u>
EQUITY		
Called up share capital	8,215,647	3,300,000
Share premium	43,780,480	-
Special distributable reserve	26,346,979	26,346,979
Warrant reserve	4,392,660	-
Series One Warrant reserve	-	1,015,866
Series Two Warrant reserve	-	852,017
Capital reserve - Unrealised	6,773,342	9,909,330
Revenue reserve	<u>(219,668)</u>	<u>(119,491)</u>
TOTAL EQUITY	<u>89,289,441</u>	<u>41,304,701</u>
Net asset value per Ordinary share - basic and diluted (pence per share)	108.68	125.17

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008**

	Called up share capital £	Share premium £	Special distributable reserve £	Warrant reserve £	Series One Warrant Reserve £	Series Two Warrant Reserve £	Capital reserve £	Revenue reserve £	To £
As at 1 January 2008	3,300,000	-	26,346,979	-	1,015,866	852,017	9,909,330	(119,491)	41,304,701
Issue of Ordinary Shares and Warrants	4,915,647	44,486,609	-	4,431,235	(1,015,866)	(852,017)	-	-	51,965,608
Amalgamation	-	(706,129)	-	(38,575)	-	-	-	-	(744,704)

expenses (note 4)

(Loss)/Profit for the period - - - - - (3,135,987) (100,177) (3,236,164)

As at 30 June 2008 8,215,647 43,780,480 26,346,979 4,392,660 - - 6,773,343 (219,668) 89,289,441

	Called up share capital £	Share premium £	Special distributable reserve £	Warrant reserve £	Series One Warrant Reserve £	Series Two Warrant Reserve £	Capital reserve £	Revenue reserve £	Total £
Issue of Ordinary Shares and Warrants	3,300,000	27,733,798	-	-	1,069,338	896,864	-	-	33,000,000
Profit for the period	-	-	-	-	-	-	8,865,396	(67,749)	8,797,647
Share and warrant issue costs	-	(1,386,819)	-	-	(53,472)	(44,847)	-	-	(1,485,138)
Transfer to Special Distributable Reserve	-	(26,346,979)	26,346,979	-	-	-	-	-	-
As at 30 June 2007	3,300,000	-	26,346,979	-	1,015,866	852,017	8,865,396	(67,749)	40,312,518

CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008

	For the six month period 30 June 2008 (unaudited) £	For the six month period 30 June 2007 (unaudited) £
Net cash outflow from operating activities	(811,805)	(57,330)
Net cash inflow/(outflow) from investing activities	720,000	(31,160,000)
Net cash outflow before financing	(91,805)	(31,217,330)
Net cash inflow from financing activities	135,391	31,514,862
Increase in cash and cash equivalents	43,586	297,532
Cash and cash equivalents at beginning of period	273,834	-
Cash and cash equivalents at end of period	317,420	297,532

These interim financial statements are unaudited and are not the Company's statutory financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS 30 JUNE 2008

1. GENERAL INFORMATION

On 18th April 2008 Marwyn Value Investors Limited, company no 44223, and Marwyn Value Investors II Limited, company no 45443 were amalgamated in accordance the Amalgamation of Companies Ordinance 1997: To continue trading as Marwyn Value Investors II Limited. Following the sanction of a special resolution of the Company, and with the approval of the Royal Court of Guernsey, dated 25th April 2008, the Company changed its name and is now called Marwyn Value Investors Limited.

2. ACCOUNTING POLICIES

These unaudited interim financial statements, which have not been reviewed by an independent auditor, have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). These interim financial statements have adopted the same accounting policies, presentation and methods of computation as the last financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law.

3. THE AMALGAMATION

On 11 March 2008, the Directors of Marwyn Value Investors Limited ("Marwyn") and Marwyn Value Investors II Limited ("MVI2") announced that they had reached agreement on the terms of a recommended amalgamation between MVI2 and Marwyn pursuant to which Marwyn would be amalgamated with MVI2. Under the amalgamation; (i) the Marwyn Ordinary Shares and Marwyn B Shares were converted into MVI2 Shares; (ii) MVI2 Series One Warrants and MVI2 Series Two Warrants were cancelled in exchange for New Warrants; and (iii) Marwyn Series Two Warrants and Marwyn B Warrants were cancelled in exchange for New Warrants.

The amalgamation was implemented under the Guernsey Amalgamation of Companies Ordinance, 1997 such that MVI2 as the surviving or Amalgamated Company did, by operation of law, succeed to all property, rights powers and privileges, and did become liable for all debts, liabilities and obligations, of Marwyn existing on the Effective Date, 18 April 2008. On the Effective Date, all Marwyn Shares were converted into MVI2 Shares and Marwyn ceased to exist as a separate entity under Guernsey law and was deleted from the Guernsey Register of Companies. Thereafter, the Company was amalgamated for the purposes of the Ordinance.

The number of shares to which Marwyn Shareholders became entitled under the Amalgamation was determined on the calculation date, 11 April 2008, when the Fair Asset Values were calculated in accordance with the formulae set out in the part XI of the AIM re-admission document.

A Marwyn Ordinary Shareholder was entitled to 1.2232408 New Shares for every Marwyn Ordinary Share held; and

A Marwyn B Shareholder was entitled to 0.7796110 New Shares for Every Marwyn B Share held.

Fractional entitlements to Shares arising after calculation of each Marwyn Shareholder's entitlement under the terms of the Amalgamation were disregarded and were not issued.

On that basis the Amalgamation resulted in the issue of 49,156,473 New Shares representing 59.83% of the enlarged share capital of MVI2. The fair value of the shares issued was £60,212,747 or 122.492 pence per share as at the Calculation Date. No warrants were exercised at the Amalgamation.

Under the Marwyn Warrant Proposals agreed at meetings of the Marwyn Warranholders and Existing MVI2 Warranholders all Marwyn Warrants were cancelled from the Effective Date, 18 April 2008. In consideration for agreeing to such cancellation Marwyn Warranholders received New Warrants on the following basis: for every Marwyn Series Two Warrant cancelled 0.6318 New Warrants; and for every Marwyn B Warrant cancelled 0.3571 New Warrants.

In consideration for agreeing to the cancellation of the MVI2 Warrants, MVI2 Warranholders received New Warrants on the following basis: for every MVI2 Series One Warrant cancelled 0.3571 New Warrants; and for every MVI2 Series Two Warrant cancelled 0.1648 New Warrants.

Fractional entitlements to New Warrants arising after calculation of each Warranholders entitlement under the terms of the Warrant Proposals were disregarded and not issued.

On the basis described above, the Amalgamation resulted in the issue of 23,259,078 New Warrants. As of the Effective Date, the Marwyn Shares, the Existing MVI2 Shares, Marwyn Warrants and the Existing MVI2 Warrants were no longer admitted to trading on AIM and were cancelled.

4. AMALGAMATION EXPENSES

The expenses directly attributable to the amalgamation of Marwyn Value Investors Limited and Marwyn Value Investors II Limited consist of the costs attributable to the issue of shares and warrants associated with the amalgamation are taken to the Share premium and Warrant reserve accounts.

5. ADMISSION TO TRADING ON AIM

Application was made to the London Stock Exchange for all of the Existing MVI2 Shares to be re-admitted to trading on AIM and for the New Shares to be issued pursuant to the Amalgamation and for all of the New Warrants to be issued as outlined in the Warrant Proposals, to be admitted to trading on AIM. Admission became effective and dealings on AIM for normal settlement in the MVI2 Shares and New Warrants commenced on 18 April 2008.