

20 June 2007

Dear Shareholder,

Extraordinary General Meeting – Explanatory Note

I am pleased to enclose a notice of Extraordinary General Meeting (EGM) together with a Proxy Form and a copy of the proposed new Articles of Association of the Company.

The EGM will be held on Tuesday 17 July 2007 at The Trinity Centre, Cambridge Science Park, Milton Road, Cambridge, CB4 4FN commencing at 3pm. For those of you who are unable to join the EGM, I would urge you to complete and return your Proxy Form in accordance with the guidance notes set out on the attached notice, as your voice is important to us.

The resolutions tabled at the meeting deal principally with the following matters:

- Providing the Directors the authority to allot just over 10 per cent of the current issued share capital free of pre-emption rights in addition to the authority to allot 1,000,000 new ordinary shares at a price of 60 pence per share to Paul Fullagar, who we have recently announced will join the Board as Non-executive Chairman on 2 July 2007;
- Increasing the Company's authority to issue options over Ordinary Shares to a maximum of 18 per cent of the nominal value of the Ordinary Shares in issue at any time. The Directors of the Company see the availability of share options as a critical component in supporting the recruitment of new senior management as well as the retention and incentivisation of staff. Currently the number of shares granted under various share option schemes but not exercised constitutes approximately 10.3 per cent of the current issued share capital of the Company;
- Ratifying all previous issues and allotments of options and equity securities since 20 May 2004. Although all share issuances have been appropriately reported to the market and disclosed in the Company's Annual Report and Accounts, due to administrative oversight, the pre-emption rights were not suspended in relation to certain share issuances since this date. In addition, due to an incorrect interpretation of a clause in the Company's current Articles of Association, certain issuances of share options since this date have caused the existing maximum level of 15 per cent to be exceeded due to the current requirement to include within the calculation the number of share options exercised to date. However, as stated above, the number of shares under option and not exercised is at approximately 10.3 per cent of the current issued share capital of the Company;

- Incorporating various amendments to the Company's Articles of Association in order to reflect recent changes in legislation since the current articles were adopted in 2004, principally in relation to electronic communications with shareholders, updating the provisions relating to indemnification of directors and changes to the provisions for compulsory retirement in relation to age discrimination legislation.

Your Directors consider that the proposed resolutions are in the best interests of Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the resolutions as they intend to do so in respect of their own shareholdings of 12,128,728 Ordinary Shares, representing approximately 46.1 per cent of the Company's issued share capital.

I look forward to welcoming you to the EGM.

Yours sincerely

Graham Simister
Chairman