

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company for 2005 will be held on Wednesday 27 July 2005 at 11.00 a.m. at the Radisson SAS Hotel, 301 Argyle Street, Glasgow, G2 8DL for the following purposes:

Ordinary business

- 1 To receive and adopt the Report of the Directors and Accounts for the year ended 31 March 2005.
- 2 To approve the Directors' Remuneration Report for the year ended 31 March 2005.
- 3 To elect Philip Rogerson as a Director.
- 4 To re-elect John Maguire as a Director.
- 5 To re-elect Ian Chippendale as a Director.
- 6 To re-elect Margaret Ford as a Director.
- 7 To re-appoint KPMG Audit Plc as auditors of the Company and to authorise the Directors to fix their remuneration.

Special business

- 8 To consider and if thought fit to pass the following resolution which will be proposed as an ordinary resolution:

THAT the Board be and it is hereby generally and unconditionally authorised in substitution for the authority conferred on it by all subsisting authorities to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £11,238,442.96, which authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (unless previously revoked or varied by the Company in general meeting) or, if earlier, 27 October 2006, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

- 9 To consider and if thought fit to pass the following resolution which will be proposed as a special resolution:

THAT the Board be and it is hereby empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (within the meaning of Section 94 of the said Act) for cash, pursuant to the authority conferred by the previous resolution, as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to:

- A the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders and in favour of holders of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever); and
- B the allotment (otherwise than pursuant to sub-paragraph A above) of equity securities up to an aggregate nominal value of £1,685,766.44 or if less, 5% of the issued ordinary share capital from time to time;

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, 27 October 2006, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

- (i) Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A separate form of proxy is enclosed. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members by 6.00 p.m. on 25 July 2005 or by 6.00 p.m. two days prior to the date of any adjournment of the meeting.
- (ii) Members may register their proxy appointments or voting directions electronically via the www.sharevote.co.uk website, where full details of the procedure are given. Members will need the reference number, card ID and account number set out on the enclosed form of proxy. If more than one proxy appointment is returned, either by paper or by electronic communication, those received last by the registrar before the latest time for the receipt of proxies will take precedence. The Company will not accept any communication that is found to contain a computer virus.
- (iii) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Lloyds TSB Registrars (ID 7RA01) by no later than 6.00 p.m. on 25 July 2005. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which our registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that 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) 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 providers 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.

By order of the Board

David Macleod
Secretary
2 June 2005

Registered office:

1/2 Berkeley Square
99 Berkeley Street
Glasgow, G3 7HR

Notes

Resolution 1

The Directors are required by law to present to the meeting the Accounts and the Report of the Directors and Auditors for the year ended 31 March 2005.

Resolution 2

The shareholders are being asked to vote on the Remuneration Report relating to the Directors and senior executives. The vote is advisory and the Directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 3-6

The Articles of Association require one-third of the Directors to retire at every Annual General Meeting. The Board, following its evaluation of the performance of those Directors standing for election and re-election, confirms that each of those Directors continues to perform effectively and demonstrates commitment to the role.

Resolution 7

The re-appointment of the Auditors is proposed. Following assessment of the audit service by the Audit Committee, the Board considers the Auditors to be effective and independent in their role.

Resolution 8

Under the Companies Act 1985 (Section 80) the Directors of a Company may only allot unissued shares if authorised to do so. Passing this Resolution will continue the Directors' flexibility to act in the best interests of shareholders when opportunities arise by issuing new shares.

In Resolution 8 the Company is seeking authority to allot shares with a nominal value of up to £11,238,442.96, which represents approximately 33.33% of the Company's issued ordinary share capital. The Directors intend to use this authority, which will lapse at the conclusion of the next Annual General Meeting of the Company (to be held in 2006), or, if earlier, 27 October 2006, for general corporate purposes.

Resolution 9

If shares are to be offered for cash, the Companies Act 1985 requires that those shares are offered first to the existing shareholders in proportion to the number of shares they hold at the time of the offer. However, it may sometimes be in the interests of the Company for the Directors to allot shares other than to shareholders in proportion to their existing holdings. At last year's Annual General Meeting shareholders authorised the Board, subject to specified limits:

- to allot shares in connection with a rights issue, defined in summary as an offer of equity securities to shareholders which is open for a period decided by the Board subject to any limits or restrictions which the Board thinks are necessary or appropriate.
- for allotments of shares not in connection with a rights issue so that the pre-emption requirement does not apply to the allotments of shares for cash up to a specific amount.

This authority requires to be renewed annually. The Directors will be empowered by Resolution 9 to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) for cash without complying with the statutory pre-emption rights of shareholders under Section 89 of the Companies Act 1985, up to a maximum amount of £11,238,442.96. This disapplication is limited to allotments made to ordinary shareholders and holders of any other class of equity security in proportion (as nearly as may be) to their holdings and, otherwise, to allotments up to a maximum nominal amount of £1,685,766.44 (representing approximately 5% of the Company's issued ordinary share capital).

This means that the interests of existing shareholders are protected. If a share issue is not a rights issue the proportionate interest of existing shareholders could not without their agreement be reduced by more than 5% of the value of the new shares in cash to new shareholders by reference to the issued share capital at the date of this notice. There are no current plans to allot shares except in connection with the employee share schemes.

General Information for Shareholders

Attending the Annual General Meeting

- 1 The Notice of Meeting is being issued to all shareholders. Enclosed with this notice, you will find an attendance card and a form of proxy.
- 2 If you are attending the meeting, you should bring the attendance card.
- 3 A shareholder is entitled to appoint one or more proxies to attend and, upon a poll, vote instead of him. A proxy need not be a shareholder. If you wish to appoint a proxy, you must complete the enclosed form of proxy which must be deposited with the Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6UU, not later than 11.00 a.m. on 25 July 2005.

Alternatively, if you wish to register your proxy appointment electronically through the Internet, please use www.sharevote.co.uk where details of the procedure are provided. You will have to disclose the reference number, card ID and account number shown on the enclosed proxy form.

CREST members should refer to the Notice of Annual General Meeting (on page 46) for instructions regarding the CREST electronic proxy appointment service.
- 4 Copies of the Executive Directors' service contracts, letters of appointment for the Non-executive Directors, a statement of all transactions of Directors (and of their families) in the share capital of the Company in the year ended 31 March 2005, a copy of the Register of Directors' (and their families') interests in the share capital of the Company and a copy of the Company's Memorandum and Articles of Association will be available for inspection at the Company's registered office during normal business hours on each day (except Saturday, Sunday and any public holidays) from the date of the Notice of Meeting until 27 July 2005 and also at the place of the AGM from 10.30 a.m. on the day of the meeting until the conclusion of the meeting. Copies of the same will also be available on the same days at the offices of the Company's solicitors, Biggart Baillie, Dalmore House, 310 St Vincent Street, Glasgow, G2 5BB.

Introduction

After his opening remarks and following a presentation from the Chief Executive, the Chairman will explain in detail the procedures for the conduct of the meeting, particularly for asking questions and voting on resolutions. The resolutions which are set out in the Notice of Annual General Meeting will then be put to the meeting.

How to ask questions

At the meeting, shareholders will be given the opportunity to ask questions from Question Points which will be clearly indicated.

At each Question Point, a member of staff will be available to help you. Please tell the member of staff the nature of your question and give your name and address. You may be asked to wait until called upon to speak. Please remember to state your name before asking your question.

How to vote

You should raise above your head your voting card (which you will receive when you register) indicating that you are voting either for or against each resolution as it is put to the vote by the Chairman. Only shareholders, or authorised representatives of corporate shareholders, may vote on a show of hands. If you are attending as a proxy for a shareholder, you will receive an appropriate identification card at registration.

Time

The doors will open at 9.30 a.m. and the meeting will start promptly at 11.00 a.m.

Cameras/tape recorders, etc.

No cameras, video recorders or tape recorders will be allowed into the meeting. Mobile phones must be switched off during the meeting.

Registration

To ensure your entrance to the meeting is dealt with promptly, please bring your attendance card with you and register at the registration desk inside the hotel.

Customer enquiries

Company personnel will be available if you have any questions as a customer of the Company.

Shareholder information

If you have any questions concerning your shareholding, please speak to the staff at the shareholders' enquiry desk.

Disabled persons

Special arrangements have been made to offer every assistance to people with disabilities. If you have a companion to assist you, they will be admitted to the meeting as a guest. Guide dogs will also be permitted. The auditorium has an induction loop system and headsets are available on request if you are deaf or hard of hearing.

First aid

First aid facilities are available. Ask any member of staff for assistance.

Emergency precautions

An announcement will be made if there is a fire warning or other emergency. Emergency exits are marked clearly around the auditorium. In case of a medical emergency, please contact a member of staff.

Refreshments

Refreshments will be available between 9.30 a.m. and 10.50 a.m.

Important

If you have any questions about the meeting, or if you need any assistance, please telephone the Annual General Meeting enquiry line on 0141 566 3051 from Monday 20 June 2005 during normal working hours.

Shareholder and Contact Information

Analysis of shareholders (as at 31 March 2005)

Range of holdings	Number of shareholders	Numbers of shares
1–100	138,879	10,988,992
101–200	96,259	12,712,034
201–600	61,970	21,985,437
601–1,000	20,882	16,508,126
1,001–5,000	25,020	52,181,869
5,001–100,000	6,998	114,664,977
100,000 and above	476	1,119,571,721

Financial calendar

27 July 2005	Annual General Meeting
21 November 2005	Interim Results for the six months ending 30 September 2005
April/May 2006	Preliminary Results for the year ending 31 March 2006

Shareholder information

Annual General Meeting

The Annual General Meeting will be held at the Radisson SAS Hotel, 301 Argyle Street, Glasgow, G2 8DL on Wednesday 27 July 2005 at 11.00 a.m. Details of the resolutions to be proposed at the Annual General Meeting are contained in the Notice of Annual General Meeting on page 46.

Dividend

The Directors have not recommended the payment of a dividend for the year ended 31 March 2005.

Listing

Ordinary shares of THUS Group plc have been admitted to the Official List of the UK Listing Authority and are traded on the London Stock Exchange.

Share price details

The share price is available from the THUS website at www.thus.net and in national newspapers.

Secretary and registered office

David Macleod,
THUS Group plc,
1/2 Berkeley Square
99 Berkeley Street
Glasgow, G3 7HR
Registered number SC 226738

Registrars

All administrative enquiries relating to shareholdings should be directed to The Registrar, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6DA Tel: 0870 609 4531, Fax: 01903 833 371.

Share dealing

THUS Group's shares may be bought or sold at competitive rates. For further details, please contact Stocktrade on 0845 601 0995, quoting LOWC0078. Alternatively, please contact Lloyds TSB Registrars on 0870 850 0852 or at www.shareview.co.uk.

Sharegift is a charity operated by the Orr Mackintosh Foundation whose main purpose is to collect shares, sell them and use the proceeds to make donations to a wide range of UK charities. Many people have small holdings of shares for various reasons. These holdings can be difficult to dispose of because of the costs involved. Even if you have just a few shares, Sharegift provides the perfect solution – give them to charity. Details of the scheme are available from www.sharegift.org.uk or by telephone on 020 7337 0501

Company Information

For enquiries relating to the Company's operations and performance, please contact either:

- Investor Relations, THUS Group plc, Finsbury Tower, 103–105 Bunhill Row, London, EC1Y 8LA Tel: 020 7763 3126/0141 566 3051
- Corporate Communications, THUS Group plc, 1/2 Berkeley Square, 99 Berkeley Street, Glasgow, G3 7HR Tel: 0141 566 3106/0141 566 3051

THUS's services

Information about THUS's services can be found on the THUS website at www.thus.net.

E-Communications

Care for the environment

Each year, your company sends hundreds of thousands of paper-based Annual Reports but there is a better and more cost-effective way for you to receive this information which is also kinder on the environment.

THUS shareholders can choose to receive shareholder documentation from us electronically by registering with Shareview, a free web-based enquiry and portfolio management service offered by our registrars, Lloyds TSB Registrars.

This service enables you to:

- **View your shareholding at any time**
- **View recent movements in your shareholding**
- **Obtain a regularly updated valuation on your shareholding**
- **Receive shareholder information electronically, including Annual Reports and Accounts and Notices of General Meetings**
- **Maintain your details on-line**

For further details please visit www.thus.net/shareview