

This notice of meeting is important and requires your immediate attention.

If you are in any doubt as to the contents of this document and/or the action you should take, you are recommended to seek personal financial advice from your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in the Company, please send this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the transfer was effected so that they can be passed on to the person who now owns the shares.

Dillistone Group Plc

(Registered in England and Wales with company number 4578125)

Notice of Annual General Meeting

To be valid the Form of Proxy for use in connection with the Meeting should be completed, signed and returned to reach the Company Secretary, Dillistone Group Plc, 50-52 Paul Street, London EC2A 4LB by not later than 11 a.m. on 3rd June 2009. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you wish. For full details on proxy appointments, see the notes to the Notice of Annual General Meeting and the Form of Proxy.

Dillistone Group Plc

15th April 2009

Dear Shareholder,

I am writing to inform you that the Annual General Meeting (the "AGM" or "Meeting") of the Company will be held on Friday 5th June 2009 at 11 a.m. at the offices of Blomfield Corporate Finance Limited at 1-3 College Hill, London EC4R 2RA. Details of the business to be considered are set out in the Notice of Meeting which follows this letter. I should like to make some comments on a number of the matters to be dealt with at the AGM.

Resolution 3 – Re-appointment of director

This resolution concerns the re-appointment of Jason Starr, who is retiring at the Meeting by rotation in accordance with article 87 of the Company's articles of association. Biographical and other details relating to the directors, including Jason Starr, are contained in the report and accounts for the year ended 31 December 2008.

Resolution 6 – Directors' power to allot shares

This resolution grants the directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £90,000 (equating to 1,800,000 ordinary shares of 5p each), representing approximately one third of the nominal value of the issued ordinary share capital of the Company as shown in the latest audited accounts of the Company. The directors do not have any present intention of exercising this authority, but they consider it desirable that the specified amount of authorised but unissued share capital is available for issue so that they can more readily take advantage of possible opportunities should they arise. Unless revoked, varied or extended, this authority will expire at the conclusion of the next annual general meeting of the Company.

Resolution 7 – Directors' power to allot shares for cash

Resolution 7 authorises the directors in certain circumstances to allot equity securities for cash other than in accordance with statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where (i) the allotment takes place in connection with a rights issue or (ii) the allotment is limited to a maximum nominal amount of £27,000 (equating to 540,000 ordinary shares of 5p each), representing 10% of the nominal value of the issued ordinary share capital of the Company. Unless revoked, varied or extended, this authority will expire at the conclusion of the next annual general meeting of the Company.

Treasury shares regulations

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) ("Treasury Shares Regulations") give flexibility concerning what the Company can do with any of its ordinary shares that it may buy back. The Company may now hold such shares "in treasury" and then sell them at a later date for cash rather than simply cancelling

them. The Treasury Shares Regulations require such sales to be on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 7 will also give directors power to sell ordinary shares held in treasury on a non pre-emptive basis, subject always to the limitations noted above. The directors consider that the power proposed to be granted by resolution 7 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

Resolution 8 – Authority to purchase shares (market purchases)

Resolution 8 authorises the board to make market purchases of up to 540,000 ordinary shares, representing 10% of the Company's issued ordinary shares. Shares so purchased may be cancelled or held as treasury shares.

The directors intend to exercise this right only when, in light of market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such shares bought back will be cancelled or held in treasury will be made by the directors on the same basis at the time of the purchase.

Resolution 9 - Adoption of new articles of association

It is proposed in this resolution to adopt new articles of association (the "**New Articles**") in order to update the Company's current articles of association (the "**Current Articles**") primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in the Appendix to this letter. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted in note 2 of the Notice of Meeting.

Action to be taken

Whether or not you intend to come to the AGM, please complete and return the accompanying Form of Proxy to the Company Secretary so as to be received no later than 11 a.m. on 3rd June 2009. By doing so, you will not preclude yourself from attending and voting in person at the Meeting.

Recommendation

Your Board considers each of the proposed resolutions to be in the best interests of the Company and its shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings.

Yours faithfully

Jim McLaughlin
Executive Chairman

Dillistone Group Plc

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "AGM" or "Meeting") of Dillistone Group Plc (the "**Company**") will be held at the offices of Blomfield Corporate Finance Limited at 1-3 College Hill, London EC4R 2RA on Friday 5th June 2009 at 11 a.m. for the following purposes:

Ordinary Business

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

1. **Report and accounts**

To receive the audited annual accounts of the Company for the year ended 31 December 2008, together with the directors' report and the auditor's report on those annual accounts.

2. **Declaration of dividend**

To declare a final dividend of 7p per ordinary share for the year ended 31 December 2008 payable on 9th June 2009 to shareholders who are on the register of members of the Company on 8th May 2009.

3. **Re-election of director**

To re-elect Jason Starr, who retires by rotation in accordance with the Company's articles of association.

4. **Re-appointment of auditors**

To re-appoint Saffery Champness as auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

5. **Auditors' remuneration**

To authorise the directors to determine the remuneration of the auditors.

Special Business

To consider and, if thought fit, pass the following resolutions of which resolution 6 will be proposed as an ordinary resolution and resolutions 7, 8 and 9 will be proposed as special resolutions.

6. **Directors' authority to allot shares**

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 80, Companies Act 1985 (the

"Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) provided that this authority shall be limited to relevant securities up to an aggregate nominal amount of £90,000, representing one third of the nominal value of the issued ordinary share capital of the Company as shown in the audited accounts of the Company for the year ended 31 December 2008 and unless previously revoked, varied or extended, this authority shall expire at the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

7. **Directors' power to allot shares for cash**

That the directors be and they are hereby empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company wholly for cash where such allotment is either pursuant to the authority of the directors under section 80 of the Act conferred by resolution 6 above, or by virtue of section 94(3A) of the Act, in either case as if section 89(1) of the Act did not apply to such allotment provided that:

7.1 the power conferred by this resolution shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange; and
- (b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal value equal to £27,000, representing 10% of the nominal value of the issued ordinary share capital of the Company as shown in the audited accounts of the Company for the year ended 31 December 2008; and

7.2 unless previously revoked, varied or extended, this power shall expire on the conclusion of the next Annual General Meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

8. **Authority to purchase shares (market purchases)**

That the Company be and is hereby unconditionally and generally authorised for the purposes of section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of its ordinary shares of 5p each ("**Ordinary Shares**") provided that:

- 8.1 the maximum number of Ordinary Shares authorised to be purchased is 540,000, representing 10% of the Company's issued ordinary share capital as shown in the audited accounts of the Company for the year ended 31 December 2008;
- 8.2 the minimum price which may be paid for any such Ordinary Share is 5p;
- 8.3 the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
- 8.4 this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the conclusion of the next Annual General Meeting and the date falling 12 months after the date of the passing of this resolution, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

9. Adoption of new articles of association

That the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Dated: 15th April 2009

By order of the Board

Registered Office:

*Rory Howard
Company Secretary*

*3rd Floor
50-52 Paul Street
London
EC2A 4LB*

Notes:

1. A member who is entitled to attend, speak and vote may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the AGM in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A form of proxy is enclosed. The notes to the form of proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy. To be effective the form must reach the Company Secretary, Dillistone Group Plc, 50-52 Paul Street, London EC2A 4LB by 11 a.m. on 3rd June 2009.
2. The following documents are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM:
 - (a) Copies of the executive directors' service contracts with the Company and any of its subsidiary undertakings and letters of appointment of the non-executive directors.
 - (b) A copy of the proposed new articles of association of the Company, and a copy of the existing articles of association marked to show the changes being proposed in resolution 9.

3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those persons registered in the register of members of the Company at 11 a.m. on 3rd June 2009 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
4. As at 15th April 2009 (being the last business day prior to the publication of this Notice of Meeting) the Company's issued share capital consists of 5,400,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 15th April 2009 are 5,400,000.

APPENDIX

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. **Articles which duplicate statutory provisions**

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are in the main amended (to the extent that this is not already the case) to bring them into line with the Companies Act 2006. The main changes made to reflect this approach are detailed below.

2. **Form of resolution**

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

3. **Variation of class rights**

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been amended in the New Articles.

4. **Convening extraordinary and annual general meetings**

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular, an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

5. **Votes of members**

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed.

6. **Age of directors on appointment**

There is no restriction on the maximum age of directors under the Companies Act 2006. The Existing Articles expressly disappplied the restriction contained in the Companies Act 1985 and so the relevant provisions have been removed from the New Articles.

7. **Conflicts of interest**

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

8. **Notice of board meetings**

Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

9. **Records to be kept**

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

10. **Distribution of assets otherwise than in cash**

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

11. **Electronic and web communications**

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

12. **Directors' indemnities and loans to fund expenditure**

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

13. **General**

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles.