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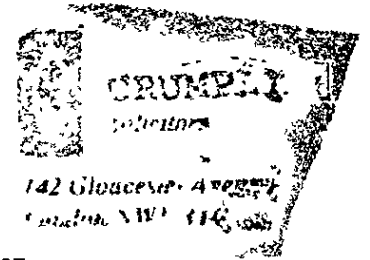
We certify this to be  
a true copy of the  
original

L. Chambers  
Solihull  
17/8/07

**Letter from the Chairman of Bibendum Wine Limited**  
(registered in England and Wales with registration number 2218928)

Registered office  
113 Regents Park Road  
London, NW1 8UR

Directors  
PI Espenhahn  
AJ Arkwright  
R Cochrane  
BJ Collins  
SC Farr  
WO Lebus  
HMC Morley  
MP Saunders  
AM Vinton  
GA Wahab  
JJ Young



1 June 2007

Dear Shareholder,

**Recommended Offer by Bibendum Wine Holdings Limited for Bibendum Wine Shares**

**1 INTRODUCTION**

On 28 March 2007, Bibendum Wine Limited ("**Bibendum Wine**") acquired from International Wine Investment Fund Pty Limited ("**IWIF**"), its largest shareholder, the one third interest in Argento Wine Company Limited ("**Argento**") which was previously owned by IWIF. At that time, it was also agreed that IWIF would reduce its shareholding in Bibendum Wine.

Bibendum Wine Holdings Limited ("**Holdings**") was formed on 13 March 2007 for the purpose of making an offer to all Bibendum Wine Shareholders, including IWIF, to acquire the entire issued share capital of Bibendum Wine. Following the offer, Bibendum Wine will become a wholly owned subsidiary of Holdings and therefore under its control.

The directors of Holdings will be largely the same as Bibendum Wine, being Peter Espenhahn, Michael Saunders, Simon Farr, Jeremy Young, Amal Wahab, Anna Vinton, Harry Morley, and Roger Gabb. Roger Gabb has subscribed for shares in Holdings (as described in greater details below) and will be the only director of Holdings who is not currently a director of Bibendum Wine.

The offer will be an opportunity for you to realise your holding in Bibendum Wine by selling your shares to Holdings or to continue your investment by exchanging your shares in Bibendum Wine for shares in Holdings.

As a Bibendum Wine Shareholder, if you decide to accept the Offer, you may

- (i) exchange each of your shares in Bibendum Wine for one share in Holdings ("**Share Consideration**"), or
- (ii) sell your shares in Bibendum Wine to Holdings for £10.55 per share ("**Cash Consideration**"),

TUESDAY



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(together the "Offer")

For the avoidance of doubt, the Offer is being made either wholly for Share Consideration or wholly for Cash Consideration

The Offer is conditional upon Bibendum Wine Shareholders who together hold not less than 75% of the issued equity share capital of Bibendum Wine accepting the Offer (the "Condition")

I am writing to you to explain why your Board considers the terms of the Offer to be fair and reasonable and, accordingly, why it unanimously recommends that you accept the Offer. Those directors who are Bibendum Wine shareholders have indicated their intention to accept the Offer and to receive the Share Consideration in respect of their own holdings amounting, in aggregate, to 755,521 Bibendum Wine Shares representing approximately 37.9% of Bibendum Wine's issued ordinary share capital

## **2 TERMS OF THE OFFER**

The purpose of this letter and the attached document is to describe to you in formal terms the Offer for your shares by Bibendum Wine Holdings Limited referred to in the cover letter dated 11 May 2007 from Michael Saunders to you. The Offer as described further below and as set out in the attached document is being made on the basis that each Bibendum Wine Shareholder (including you) will be offered either the Share Consideration or the Cash Consideration in respect of the Bibendum Wine Shares held by such shareholder. For the avoidance of doubt, the offer is not open to anyone else other than persons who are shareholders of Bibendum Wine.

Further details of the Offer are also set out in the Form of Acceptance

## **3 BACKGROUND TO AND REASONS FOR THE OFFER**

The Board of Bibendum Wine has been aware for some time that IWIF, while remaining supportive as a shareholder of Bibendum Wine, had its own reasons to reduce its shareholding and that some Bibendum Wine Shareholders also wished to sell shares in Bibendum Wine.

The Cash Consideration, which has been negotiated with IWIF, reflects the fact that IWIF will be giving up certain rights of control that it currently enjoys under the articles of association of Bibendum Wine although it will retain the right to board representation in Holdings. The articles of association of Holdings are broadly similar to those of Bibendum Wine, other than in respect of the right of IWIF to consent to certain matters. They therefore contain similar pre-emption rights relating to the transfer of shares.

The Board of Bibendum Wine believes it appropriate also to give all the other Bibendum Wine Shareholders the opportunity to participate in the Offer, either by selling their Bibendum Wine Shares or by exchanging such shares for shares in Holdings. IWIF has transferred half of its holding in Bibendum Wine to a subsidiary which will accept the Offer for Cash Consideration, IWIF itself will accept the offer for Share Consideration.

## **4 NEW INVESTORS**

The Board of Bibendum Wine had been in discussions with Roger Gabb with a view to him becoming a director of Bibendum Wine. Roger is the founder and former chairman of Western Wines Limited which was sold in 2004 to the Canadian company Vincor, which is now owned by Constellation Brands. He built up Western Wines and created the brand KUMALA which is a leading South African wine brand sold in the UK. In view of his experience, the Bibendum Wine

Board believes that Roger can make a significant contribution to the development of the business of Bibendum Wine and he has agreed to join the board of Holdings as a director

Roger has subscribed for 100,000 shares in Holdings at a price of £10.55 per share

Jeremy Young has been the chief operating officer of Bibendum Wine since February 2006 and Harry Morley has been one of its non-executive directors since July 2006. Neither has had the opportunity to purchase shares although Jeremy has been granted options over shares in Bibendum Wine. Jeremy has subscribed for 5,000 shares in Holdings and Harry 6,000 shares in Holdings, in each instance at £10.55 per share

Tim Steel is a customer of Bibendum Wine who has subscribed for 5,000 shares in Holdings at £10.55 per share

Roger Gabb, Harry Morley, Jeremy Young and Tim Steel are together referred to in this letter and the attached document as the "**New Investors**"

The Bibendum Wine Board also wishes to give employees of the Bibendum Wine Group and consultants to the Group a limited opportunity to subscribe for shares in Holdings, which will offer them up to an aggregate amount of 30,000 shares in Holdings at £10.55 per share following the completion of the Offer

## 5 INTENTIONS OF SUBSTANTIAL SHAREHOLDERS

IWIF has agreed with Bibendum Wine that it will accept the Offer in respect of its holding of 344,118 shares and that a subsidiary, which holds 344,117 shares, will accept the Offer and elect to receive the Cash Consideration in respect of its holding. Each of these holdings represents approximately 17.3% of the issued share capital of Bibendum Wine

Certain other shareholders have indicated to Bibendum Wine that they intend to accept the Offer and to take the Share Consideration in respect of their holdings amounting in aggregate to 295,133 Bibendum Wine Shares representing approximately 14.82% of the issued share capital of Bibendum Wine

## 6 ACQUISITION OF ADDITIONAL SHARES

Those shareholders in Bibendum Wine who accept the Offer by way of the Share Consideration are being offered the opportunity to elect to subscribe for shares in Holdings ("**Additional Shares**") If such election for Additional Shares cannot be satisfied in full, the allotment of Additional Shares will be scaled down on a pro rata basis having regard to their existing shareholding in Bibendum Wine

The opportunity to acquire Additional Shares will be at a price of £10.55 per Additional Share

Full details of this opportunity are set out in the Part 2 of this document

## 7 FINANCING THE OFFER

To enable Holdings to satisfy any consideration which is payable as Cash Consideration under the Offer, Bibendum Wine has agreed to lend to Holdings a maximum amount of £10 million in cash (the "**Loan**") The Loan is repayable on demand, is unsecured and bears interest at 1.25% per annum above Royal Bank of Scotland plc's Base Rate

In order to finance the Loan, the purchase of the additional stake in Argento referred to above and its own working capital requirements, Bibendum Wine has entered into a loan agreement with NatWest (the "**Term Facility Agreement**") for a term loan facility of £1,750,000 and an

invoice discounting facility agreement with RBSIF (the "CID Facility Agreement") for a revolving facility of £17,000,000 against receivables

The Loan, the Term Facility Agreement and the CID Facility Agreement were approved unanimously by Bibendum Wine Shareholders pursuant to a written resolution passed on 1 May 2007

## 8 SHARE OPTIONS

The Offer extends to all existing Bibendum Wine Shares and to any Bibendum Wine Shares which are unconditionally allotted and fully paid prior to the Closing Date, including Bibendum Wine Shares issued pursuant to the exercise of options granted under the Bibendum Wine Option Schemes (the "Options") or otherwise. Whether or not Options are already capable of exercise, persons who hold the Options will be in position to exercise them and accept the Offer in respect of the Bibendum Wine Shares issued to them prior to the Closing Date. In so far as they are not so exercised then an offer will be made to the Option holders to exchange their Options for options on similar terms and for a similar value over the shares of Holdings and in the event of that exchange being declined then the Options will lapse.

## 9 RESULTS FOR 2006/7 AND DIVIDEND FORECAST

It is estimated that the sales of Bibendum Wine and its subsidiaries for the year ended 31 March 2007 were £98.9m (previous year £76.3), that the profit before and after taxation were £3.6m and £2.5m respectively (compared with £2.1m and £1.4 respectively) and that fully diluted earnings per share were £1.20 (compared with 71.5 pence). These estimates are based on accounts which have not yet been audited.

It is expected that Bibendum Wine will become a wholly owned subsidiary of Holdings and, therefore, that any future dividends paid by Bibendum Wine will be paid to Holdings. It is expected that Holdings will declare a final dividend of 40 pence per share to be payable in July 2007 and that, thereafter, the policy will be to vary dividends from that level roughly in line with changes in earnings per share, but bearing in mind both the desirability of reducing debt and the company's working capital requirements.

## 10 TAXATION

Your attention is drawn to the paragraph headed "UK taxation" in section 9 in Part 2 of this document. If you are in any doubt as to your own tax position, you should consult an appropriate independent professional adviser.

## 11 ACTION TO BE TAKEN

Your attention is also drawn to Part 2 of this attached document and to the Form of Acceptance, which includes additional information on the procedure for acceptance of the Offer.

**In order to accept the Offer, you should complete and sign the enclosed Form of Acceptance and the enclosed stock transfer form in accordance with the instructions set out in the Form of Acceptance. The completed Form of Acceptance and stock transfer form, together with your share certificate(s) or if you have lost your share certificate, your letter of indemnity should be returned as soon as possible and in any event so as to be received by post or (during normal business hours only) by hand to Bibendum Wine Holdings Limited c/o Finers Stephens Innocent LLP (Ref: C232) at 179 Great Portland Street, London, W1W 5LS by no later than 3.00 p.m. on the Closing Date. A reply-paid envelope is enclosed for your use in the United Kingdom. If the Offer does not become**

**unconditional before the Closing Date and Holdings does not extend the Closing Date, then all of the documents will be returned to you.**

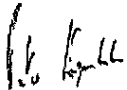
If you are in any doubt as to the action you should take, you should consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser

## 12 RECOMMENDATION

After the Offer, substantially the only asset of Holdings will be its holding of the entire share capital of Bibendum Wine and the only shareholders of Holdings will be former shareholders of Bibendum Wine who opted for the Shares Consideration (who will have received one share in Holdings for each share in Bibendum Wine and Additional Shares (if they so elected to) and the New Investors and any employees or consultants who subscribe for shares

On the basis that Bibendum Wine Shareholders have a choice between continuing to have an indirect interest in Bibendum Wine as shareholders in Holdings and receiving cash, the Board of Bibendum Wine considers the terms of the Offer to be fair and reasonable and, accordingly, unanimously recommends all Bibendum Wine Shareholders to accept the Offer. It does not make a recommendation as to which form of consideration you should opt to receive

Yours sincerely



Peter Espenhahn  
Chairman

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION** If you are in any doubt about the Offer or what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser

This document is private and confidential. This document has been prepared and has been marked for your attention as a registered shareholder of Bibendum Wine Limited and the offer it describes is only open to registered shareholders of Bibendum Wine Limited. Subject to disclosing relevant information to your financial adviser (on a confidential basis), please keep the contents of this document and the nature and details of the transaction referred to herein confidential.

This document is being delivered to you on the basis that it is exempt from the general restriction in section 21 of Financial Services and Markets Act 2000 (relating to the communication of invitations or inducements to engage in investment activity) pursuant to the exemptions contained in the Financial Service and Markets Act 2000 (Financial Promotion) Order 2005 ("FPO") and is not being made available and should not be disclosed to any other person. No person (other than your stock broker, bank manager, solicitor, accountant or other independent financial adviser) should review or rely upon this document or the accompanying letter and if you are not the person to whom the accompanying letter is addressed, then you should return this document immediately to Bibendum Wine Holdings Limited as you are not permitted to participate in the offer.

This document should be read in conjunction with the accompanying Form of Acceptance and letter

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**Recommended Offer**  
by  
**Bibendum Wine Holdings Limited**  
for all of the issued share capital of  
**Bibendum Wine Limited**

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To accept the Offer you should complete the enclosed Form of Acceptance in accordance with the instructions printed thereon and with the instructions referred to in the Offer Document. The completed Form of Acceptance, together with a completed stock transfer form, your share certificate(s) and/or (if relevant) letter of indemnity in the form attached should be returned as soon as possible and in any event so as to be received by post or (during normal business hours only) by hand by Bibendum Wine Holdings c/o Finers Stephens Innocent LLP (Ref C232) at 179 Great Portland Street, W1W 5LS, no later than 3.00 p.m. on 2 June 2007. A reply paid envelope is enclosed for use in the United Kingdom. The procedure for acceptance of the Offer is set out in Part 2 of this document and in the accompanying Form of Acceptance.

The Offer is made to you in relation to all existing Bibendum Wine Shares that you currently hold and to any Bibendum Wine Shares which are unconditionally allotted and fully paid in your favour prior to the Closing Date, including any Bibendum Wine Shares issued to you pursuant to the exercise of options granted under the Bibendum Wine Option Schemes or otherwise.

The Offer is not subject to the provisions of The City Code on Takeovers and Mergers.

## **Contents**

Part 1	<b>Key Terms of the Offer</b>
Part 2	<b>Terms of the Offer and Form of Acceptance</b>
Part 3	<b>Further Terms of the Offer</b>
Appendix I	<b>Definitions</b>
Appendix II	<b>Form of Acceptance</b>
Appendix III	<b>Stock Transfer Form</b>
Appendix IV	<b>Letter of Indemnity</b>

## PART 1

### KEY TERMS OF THE OFFER

- Bibendum Wine Holdings Limited ("**Holdings**") is making an offer to you and to all the other shareholders of Bibendum Wine Limited ("**Bibendum Wine**") to acquire all of the issued share capital in Bibendum Wine
- The Offer is conditional upon Bibendum Wine Shareholders who together hold not less than 75% of the issued equity share capital of Bibendum Wine accepting the Offer
- Holdings wishes to acquire Bibendum Wine Shares for consideration consisting of either one new ordinary share in Holdings (the "**Share Consideration**") or cash of £10.55 for each Bibendum Wine Share (the "**Cash Consideration**")
- The directors of Bibendum Wine unanimously recommend the Offer but do not make a recommendation as to which form of consideration you should accept. Those directors who are Bibendum Wine Shareholders have undertaken to accept the Offer and to take shares in Holdings as consideration
- The Offer is made to you in relation to all existing Bibendum Wine Shares that you currently hold and to any Bibendum Wine Shares which are unconditionally allotted and fully paid in your favour prior to the Closing Date, including Bibendum Wine Shares issued to you pursuant to the exercise of options granted under the Bibendum Wine Option Schemes or otherwise

### OFFER ACCEPTANCES

- To accept the Offer, you must complete the enclosed Form of Acceptance in accordance with the terms of this document and return it, together with a completed stock transfer form, your share certificate(s) or/and (if relevant) an executed letter of indemnity, to Bibendum Wine Holdings Limited, c/o Finers Stephens Innocent LLP (Ref C232) at 179 Great Portland Street, W1W 5LS as soon as possible and, in any event, by 3.00 p.m. on 2 June 2007. A reply-paid envelope is enclosed for your convenience
- If Holdings receives acceptances which represent at least 75 per cent but less than 100 per cent of Bibendum Wine Shares, it intends to rely on the drag along provisions in Bibendum Wine's articles of association and procure that all shareholders of Bibendum Wine who have not already accepted the Offer do so and receive the Cash Consideration unless they indicate to Holdings their intention to receive Share Consideration

**The closing date of the Offer is 3.00 p.m. (London time) on 2 June 2007 (provided that the board of Holdings may extend this date)**

**Any questions about this Offer may be addressed to Peter Espenhahn on 07 887 551 200, Michael Saunders on 0207 449 4049 or Jeremy Young on 0207 449 4085**



## **Part 2**

### **Offer Information**

#### **1 INTRODUCTION**

Holdings was formed on 13 March 2007 for the purposes of making the offer to all Bibendum Wine Shareholders to acquire the entire issued share capital of Bibendum Wine. The Offer and this document are not subject to the requirements of the Takeover Code. This document and accompanying Form of Acceptance contain the terms and conditions of the Offer.

Your attention is drawn to the letter of recommendation from Peter Espenhahn, the Chairman of Bibendum Wine, which states that the Board of Bibendum Wine considers the terms of the Offer to be fair and reasonable and explains the reasons why the Board of Bibendum Wine unanimously recommends that you accept the Offer.

The procedure for acceptance is set out in below and detailed instructions are also set out in the accompanying Form of Acceptance.

#### **2 INFORMATION ON HOLDINGS**

Holdings is a company registered in England and Wales with registered number 6155211. Holdings was incorporated on 13 March 2007 under the name Finlaw 558 Limited and changed its name to Bibendum Wine Holdings Limited on 2 April 2007. The registered office of Holdings is 113 Regents Park Road, London, NW1 8UR.

Holdings has not published any accounts and, other than matters related to the making of the Offer, has not engaged in any activities. Its current shareholders are Harry Morley and Jeremy Young. Following completion of the offer, the only significant asset of Holdings will be its shareholding in Bibendum Wine.

Holdings has authorised share capital of 2,500,000 Ordinary Shares of £1 each and issued share capital of 116,002 Ordinary Shares of £1 each.

The Company was incorporated with an authorised share capital of £1,000 divided into 1,000 ordinary shares, of which two were in issue.

On 15 May 2007, 100,000 Holdings' Shares were issued and allotted to Roger Gabb, 5000 to Tim Steel, 5000 to Jeremy Young and 6000 to Harry Morley, in each instance at a subscription price of £10.55 per share.

Immediately following completion of the Offer, the amount of the issued share capital of Holdings will depend on the level of acceptances for the Share Consideration and Bibendum Wine Shareholders.

On 15 May 2007, the Directors of Holdings were generally and unconditionally, for the purposes of Section 80 of the Act, authorised to allot relevant securities up to an aggregate nominal amount of £2,500,000, such authority to expiry on 15 May 2012, save that Holdings may, at any time before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

The Directors of Holdings have adopted a share option scheme on similar terms to the scheme at Bibendum Wine. Options will be granted to holders of options in Bibendum Wine who elect to have their options rolled over.

As part of the agreement with IWIF for the purchase of its stake in Argento, it was agreed that Bibendum Wine would use its best endeavours to agree an appropriate exit strategy for the shareholders in Holdings within the next 3 years, with a view to shareholders in Holdings having the opportunity to realise the value of their new shares in Holdings, should they so wish, within two years after that.

The Board of Holdings may institute incentive arrangements for management in relation to the achievement of that exit strategy and of other objectives set by the Board. Such arrangements could include the issue of share options or more tax efficient arrangements if appropriate.

### 3 THE OFFER

Holdings offers to acquire, on the terms set out in this document and in the accompanying Form of Acceptance, all of the Bibendum Wine Shares on the following basis:

**For each Bibendum Wine Share either** (a) **one share in Holdings ("Share Consideration")**, or  
(b) **£10.55 in cash ("Cash Consideration")**

On the basis of the Cash Consideration, the Offer values Bibendum Wine's entire issued share capital at £21,007,033.

Acceptance of the Offer must be for your entire shareholding of Bibendum Wine Shares and be either wholly for Share Consideration or wholly for Cash Consideration. **A Bibendum Wine Shareholder may not accept a mixture of Share Consideration and Cash Consideration.**

The Consideration Shares will rank *pari passu* in all respects with, and have the same rights as the existing issued ordinary shares in the capital of Holdings, including the right to receive all future dividends and other distributions declared, made or paid by Holdings following their issue.

Bibendum Wine Shares will be acquired by Holdings fully paid and with full title guarantee and free from all liens, charges, equitable interests, encumbrances and other third party interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain all dividends and other distributions declared, made or paid on or after 30 April 2007.

The Offer will extend to any holders of Bibendum Wine Shares which are unconditionally allotted or issued prior to the Closing Date. The further terms of the Offer are set out below and in the accompanying Form of Acceptance.

The Offer is conditional upon shareholders who together hold not less than 75% of the issued equity share capital of Bibendum Wine accepting the Offer.

### 4 PROCEDURE FOR ACCEPTANCE OF THE OFFER

This section should be read in conjunction with the notes on the Form of Acceptance, which form part of the terms of the Offer.

The Offer may only be accepted by completing and returning the enclosed Form of Acceptance, stock transfer form, your share certificates and/or the letter of indemnity in accordance with the procedure set out below.

#### 4.1 To accept the Offer

To accept the Offer you should complete the Form of Acceptance and the enclosed stock transfer form in accordance with the instructions set out on the Form of Acceptance

You should then return your completed Form of Acceptance and stock transfer form, together with your share certificate(s) for your Bibendum Wine Shares and/or your letter of indemnity (if relevant) and any other relevant document(s), by post or (during normal business hours only) by hand to Holdings c/o Finers Stephens Innocent LLP (Ref C232) at 179 Great Portland Street, W1W 5LS, as soon as possible but in any event so as to be received not later than 3.00 p.m. on the Closing Date. A reply-paid envelope for use in the United Kingdom is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

In circumstances where the Condition is not satisfied by the Closing Date, then the documents you have sent to Holdings (as referred to above) will be returned to you

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#### 4.2 To elect to subscribe for Additional Shares

To the extent that the Offer becomes unconditional and shareholders in Bibendum Wine accept the Offer and opt for Cash Consideration rather than Share Consideration, shareholders in Bibendum Wine who accept the Offer by accepting Share Consideration are offered the opportunity to elect to subscribe for additional shares in Holdings ("**Additional Shares**")

The number of shares available for subscription as Additional shares will be limited to the number of shares in respect of which accepting shareholders have opted for Cash Consideration less 130,000. If Bibendum Wine Shareholders elect to subscribe for Additional Shares but such election cannot be satisfied in full, the allotment of Additional Shares will be scaled down on a pro rata basis having regard to their existing shareholding in Bibendum.

The opportunity to acquire Additional Shares will be at a price of £10.55 per Additional Share. The Additional Shares will, following their allotment and issue, rank *pari passu* in all respects with the existing ordinary shares in the capital of Holdings including the right to receive all dividends and other distributions declared, made or paid on or thereafter completion of the Offer.

You may elect to subscribe for Additional Shares in accordance with the terms of this document and the Acceptance Form by (i) indicating the maximum amount of Additional Shares that you wish to subscribe for (on the basis of a price of £10.55 per Additional Share) in Box 3C on the Acceptance Form ("**your Maximum**"), and (ii) sending a cheque drawn on a branch of a UK clearing bank made out in favour of Holdings for the aggregate consideration of your Maximum (on the basis of £10.55 per Additional Share) (the "**Subscription Amount**").

As the allotment of Additional Shares will only be satisfied to the extent that other Shareholders do not accept Consideration Shares under the Offer the exact number of Additional Shares that will be available for you to apply to subscribe for cannot be ascertained until all Bibendum Wine Shareholders have returned valid Forms of Acceptance.

Accordingly, if you have validly elected to subscribe for Additional Shares, then you will only be allotted and issued such number of Additional Shares as are allocated to you for subscription provided that your Maximum will not be exceeded

Accordingly in subscribing for Additional Shares you confirm your acceptance of a subscription participation ("**Participation**") in respect of such number of Additional Shares as are allocated to you for subscription (provided your Maximum will not be exceeded) on the terms and subject to the conditions contained in this document and in the Form of Acceptance. In acceptance of your Participation you request the Company to procure the issue and allotment of Additional Shares as are available to you for your subscription (provided your Maximum will not be exceeded) and delivery to you, at your risk, of share certificates in relation to such Additional Shares

In circumstances where there are insufficient Additional Shares available to enable you to be allotted your Maximum or the Offer fails to become unconditional by the Closing Date, then the Company will reimburse you for any monies paid by you for Additional Shares that are not subsequently allotted and issued to you. Such monies will be repaid within 15 business days of the Closing Date by despatch by post of a cheque for pounds sterling drawn on a branch of a UK clearing bank for an amount that is equal to the difference between the Subscription Amount paid by you and the aggregate consideration of the Additional Shares issued and allotted to you. Such cheque will be sent, at your risk, to the person or agent whose name and address is set out in Box 1 or Box 6 (as relevant) of the Form of Acceptance

#### **4.3 Share certificates not readily available or lost**

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance and stock transfer form should nevertheless be completed, signed and returned as stated above so as to arrive not later than 3.00 p.m. on the Closing Date, together with any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. No acknowledgement of receipt of documents will be given. In the case of loss, you should execute the enclosed letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Holdings as set out above. No consideration under the Offer will be paid until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Holdings have been received

#### **4.4 Validity of acceptances**

Without prejudice to Appendix I to this document, Holdings reserves the right to treat as valid any acceptance of the Offer in relation to Bibendum Wine Shares in certificated form which is not entirely in order or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other document(s) of title. In that event, no consideration under the Offer will be paid until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Holdings have been received

### **5 ACCEPTANCE PERIOD**

The Offer is initially open for acceptance until 2 June 2007

Holdings reserves the right (but will not be obliged) at any time and from time to time to extend the Offer after such time. Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as may be considered reasonable by the Board) following the date of despatching written notice of the revision to Bibendum Wine Shareholders.

## **6 IRREVOCABLE ACCEPTANCE**

Except as otherwise stated in this document, all acceptances and elections will be irrevocable.

## **7 SETTLEMENT OF THE OFFER**

Settlement of the consideration to which any Bibendum Wine Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Holdings may otherwise be, or claim to be, entitled as against such shareholder.

Settlement of the consideration to which any Bibendum Wine Shareholder who has opted to receive the Cash Consideration is entitled under the Offer will be effected in the case of Acceptances received complete in all respects prior to satisfaction of the Condition, within 5 business days of the satisfaction of the Condition and, in respect of the case of Acceptances received thereafter complete in all respects, within 5 days of receipt.

Where a Bibendum Wine Shareholder has validly accepted the Cash Consideration and the Offer is unconditional, then cheques in respect of the Cash Consideration payable under the Offer will be despatched in accordance with the above by first class post. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

Settlement of the consideration to which any Bibendum Wine Shareholder who has opted to receive the Share Consideration is entitled under the Offer will be effected in the case of Acceptances received complete in all respects and provided the Offer is unconditional, within 5 business days of the end of the Offer Period.

Where a Bibendum Wine Shareholder has validly accepted the Share Consideration and the Offer is unconditional, then in accordance with the above the relevant number of Holdings shares will be allotted and issued and the name of such shareholder shall be entered into the register of members of Holdings. A share certificate shall be despatched by first class post within 14 days of the end of the Offer Period.

All documents and remittances sent by, to, or from Bibendum Wine Shareholders will be sent at their own risk.

## **8 FINANCING OF THE OFFER**

As set out in the covering letter from the Chairman, the Bibendum Wine Board is satisfied that Holdings has the necessary financial resources available to it to satisfy full acceptance of the Offer.

## **9 UK TAXATION**

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and UK HM Revenue & Customs published practice. They summarise certain limited aspects of the UK taxation consequences of acceptance of the Offer, and they relate only to the position of Bibendum Wine Shareholders who hold their Bibendum Wine Shares beneficially as an investment and who are resident in the UK for tax purposes. They do not relate to persons

such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules may apply. If you are in any doubt as to your taxation position or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser without delay.

#### **9.1 UK taxation of chargeable gains**

Liability to UK taxation of chargeable gains will depend on the individual circumstances of Bibendum Wine Shareholders.

The receipt by a Bibendum Wine Shareholder of cash under the Offer, will constitute a disposal, of the relevant Bibendum Wine Shares for the purpose of UK taxation of chargeable gains. Such a disposal may, depending on the shareholder's individual circumstances (including the availability of exemptions and allowable losses), give rise to a liability to UK taxation on chargeable gains.

9.2 The acceptance by a Bibendum Wine Shareholder of the Share Consideration under the Offer, will also constitute a disposal, of the relevant Bibendum Wine Shares for the purpose of UK taxation of chargeable gains. However, the resultant chargeable gain may be deducted from the acquisition cost for chargeable gains purposes of the Holdings shares received so that the liability arising from the chargeable gain may be deferred until a future disposal of the Holdings shares.

9.3 Clearances have been sought and obtained from HM Revenue & Customs under Section 138 Taxation of Chargeable Gains Act 1992 that the Offer is being made for bona fide commercial reasons so that the chargeable gains treatment described in paragraph 11.2 is available and also under Section 707 Income and Corporation Taxes Act 1988 that no part of the Cash Consideration or the Share Consideration should be treated as a distribution by Bibendum Wine.

#### **9.4 Stamp duty and stamp duty reserve tax ("SDRT")**

No stamp duty or SDRT will be payable by Bibendum Wine Shareholders as a result of accepting the Offer.

#### **10 DIRECTORS**

The current directors of Holdings are Harry Morley and Jeremy Young. Following the successful completion of the Offer, Peter Espenhahn (as Chairman), Simon Farr, Michael Saunders, Anna Vinton and Amal Wahab, all currently Directors of Bibendum Wine will join the board of Holdings. In addition, Roger Gabb will join the Board of Holdings. All except Michael Saunders, Simon Farr and Jeremy Young will be non-executive. Jeremy Young is the company secretary of Holdings.

Following the successful completion of the Offer, the non-executive directors of Bibendum Wine will resign.

#### **11 MATERIAL CONTRACTS**

Other than as referred to in this document, there have been no contracts entered into by Holdings other than for the purpose of its establishment and for the purpose of financing the Offer, since its incorporation which are, or which may be, material.

## 12 OVERSEAS BIBENDUM WINE SHAREHOLDERS

The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. The Offer is not being made, directly or indirectly, in or into Australia, Canada, Japan, Republic of Ireland or the United States.

## 13 RESPONSIBILITY

The directors of Holdings, whose names are set out above, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors of Holdings (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

## 14 DRAG ALONG RIGHTS

If Holdings receives acceptances under the Offer which represent at least 75 per cent, but less than 100 per cent, of Bibendum Wine's issued share capital, then Holdings intends to procure that all Bibendum Wine Shareholders accept the Offer pursuant to the drag along provisions in Bibendum Wine's articles of association. Any Bibendum Wine Shareholder "dragged along" will be deemed to have accepted the Offer on the basis of receiving Cash Consideration unless they specifically indicate to Holdings they wish to receive Share Consideration.

## 15 ACTION TO BE TAKEN

To accept the Offer, you should complete the enclosed Form of Acceptance in accordance with the instructions printed thereon. The completed Form of Acceptance, together with your share certificate(s) and other document(s) of title, should be returned as soon as possible and in any event so as to be received by post or (during normal business hours only) by hand by Holdings c/o Finers Stephens Innocent LLP (Ref C232) at 179 Great Portland Street, W1W 5LS by no later than 3.00 p.m. on the Closing Date. A reply-paid envelope is enclosed for your use in the United Kingdom.

## 16 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents listed below may be inspected at the offices of Finers Stephens Innocent LLP at 179 Great Portland Street, London W1W 5LS during business hours on any weekday (Saturday, Sundays and public holidays excepted) whilst the Offer remains open for acceptance.

- 16.1 the memorandum and articles of association of Holdings,
- 16.2 the memorandum and articles of association of Bibendum Wine, and
- 16.3 this Offer Document and the Form of Acceptance.

Dated 15 May 2007

### Part 3

#### Further Terms of the Offer and Form of Acceptance

The following further terms apply, unless the context requires otherwise, to the Offer:

- (a) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance and visa versa, unless the context otherwise requires.
- (b) All references in this document and in the Form of Acceptance to the Closing Date will (except where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- (c) Any accidental omission or failure to despatch this document, the Form of Acceptance or any other document relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, will not invalidate the Offer in any way.
- (d) Holdings reserve the right to treat acceptances as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as set out in this document or the Form of Acceptance.
- (e) No acknowledgement of receipt of any Form of Acceptance, share certificate(s), or other document(s) of title will be given by, or on behalf of, Holdings. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Bibendum Wine Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their risk.
- (f) All powers of attorney, appointments of agents and authorities conferred by this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the Bibendum Wine Shareholder concerned and are irrevocable in accordance with Section 4 of the Powers of Attorney Act 1971 except in the circumstances where the donor of such power of attorney or authority or appointer validly withdraws his acceptance.
- (g) Holdings reserves the right to nominate as the person entitled to acquire any Bibendum Wine Shares pursuant to the Offer such subsidiary of Holdings as Holdings shall in its absolute discretion select for such purpose and following any such nomination references herein to Holdings shall be construed accordingly.
- (h) The Offer is made on 15 May 2007 and is capable of acceptance from and until the Closing Date. The Offer is being made by means of this document. Forms of Acceptance and copies of this document are available from Holdings at c/o Finers Stephens Innocent at 179 Great Portland Street, London, W1W 5LS.
- (i) Neither Holdings nor any person acting on behalf of any of it, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection with the Offer.
- (j) The Offer and the Form of Acceptance and all acceptances and elections (if any) in respect thereof will be governed by and construed in accordance with English law.
- (k) All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).



## Appendix I

### Definitions

The following definitions apply throughout this document, unless the context requires otherwise

"Act"	the Companies Act 1985,
"Additional Shares"	has the meaning giving to such term in paragraph 6 of Peter Espenhahn's Letter,
"Argento Sale and Purchase Agreement"	the share purchase agreement entered into between International Wine Investment Fund Pty Limited and Bibendum Wine on 3 April 2007,
"Bibendum Wine"	Bibendum Wine Limited,
"Bibendum Wine Option Schemes"	arrangements for the grant of share options to directors and employees of Bibendum Wine under which Enterprise Management Incentive and HM Revenue & Customs unapproved share options have been granted,
"Bibendum Wine Shareholders"	holders of Bibendum Wine Shares,
"Bibendum Wine Shares"	the existing unconditionally allotted or issued and fully paid ordinary shares of £1 each in the capital of Bibendum Wine and any further such shares which are unconditionally allotted or issued prior to the Closing Date,
"Board"	the board of directors of Bibendum Wine or Holdings, as the case may be,
"business day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in the City of London,
"Cash Consideration"	consideration consisting of cash of £10.55 per Bibendum Wine Share,
"Closing Date"	2 June 2007 or such other date advised by the board of Holdings to the Bibendum Wine Shareholders in writing,
"Code"	The City Code on Takeovers and Mergers,
"Companies Act"	the Companies Act 1985, as amended,
"Condition"	has the meaning given to such term on page 2 of Peter Espenhahn's letter,
"Encumbrance"	any charge, mortgage, lien, hypothecation, judgment, encumbrance, easement, security, title retention, preferential right, trust arrangement or any other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or any similar right in favour of any person,
"Form of Acceptance"	the form of acceptance and authority relating to the

	Offer,
"Holdings"	Bibendum Wine Holdings Limited,
"Holdings Shares"	the ordinary shares of £1 each in the capital of Holdings,
"New Investors"	Roger Gabb, Jeremy Young, Harry Morley and such employees as choose to invest,
"Offer"	the recommended offer, made by Holdings to you and the other Bibendum Wine Shareholders, for all the issued and to be issued Bibendum Wine Shares including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer and includes any revision, variation or renewal thereof or extension thereto to be satisfied either by way of the Cash Consideration or the Share Consideration,
"Offer Document"	this document and any other document containing, or containing details of, the Offer,
"Offer Period"	the period which commenced on 15 May 2007 and ending on the Closing Date,
"Share Consideration"	consideration consisting of shares in Holdings,
"Subsidiary"	a subsidiary as defined in section 736 of the Companies Act,
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland,
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia, and all other areas subject to its jurisdiction