

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are unsure of what action you should take we recommend that you immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or transferred all your Shares in County Contact Centres PLC, please send this document to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. The Directors of County Contact Centres PLC, whose names and functions appear on page 3 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# **County Contact Centres PLC**

*(incorporated in England and Wales under the Companies Act 1985 with registered number 03869545)*

## **Recommended proposal for Cancellation of Share Premium Account**

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**Your attention is drawn to the letter from the Chairman of County Contact Centres PLC which is set out on pages 3 to 5 of this document and which recommends that you vote in favour of the resolution to be proposed at the Extraordinary General Meeting referred to below.**

**NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF COUNTY CONTACT CENTRES PLC TO BE HELD AT MELFORD COURT, THE HAVENS, RANSOMES EUROPARK, IPSWICH IP3 9SJ ON 21 JUNE 2007 AT 12:30 PM, IS SET OUT AT THE END OF THIS DOCUMENT.**

Please complete the accompanying Form of Proxy for use at the Extraordinary General Meeting. To be valid, the accompanying Form of Proxy should be completed, signed and returned as soon as possible by post to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL and, in any event, so as to arrive at least 48 hours before the time fixed for the meeting. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

## **TIMETABLE**

Last time and date of receipt of proxies	12.30 pm	19 June 2007
Extraordinary General Meeting	12.30 pm	21 June 2007
Court Hearing		29 June 2007
Final Hearing		18 July 2007

## **DEFINITIONS**

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

<b>“Act”</b>	the Companies Act 1985 (as amended)
<b>“Company” or “County Contact Centres”</b>	County Contact Centres PLC, incorporated in England and Wales under the Companies Act 1985 with registered number 03869545
<b>“Directors” or “Board”</b>	the directors of County Contact Centres PLC as at the date of this document
<b>“EGM” or “Extraordinary General Meeting”</b>	the extraordinary general meeting of the Company to be held at Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the EGM, which accompanies this document
<b>“Group”</b>	the Company and each of its subsidiaries
<b>“Shares”</b>	ordinary shares of 1 penny each in the capital of County Contact Centres PLC
<b>“Shareholders”</b>	the Shareholders of the Company registered in the register of members of the Company at 6pm on 23 May 2007

# County Contact Centres PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 03869545)

## *Directors:*

Philip J Dayer, *Non Executive Chairman*  
William A Catchpole, *Managing Director*  
R Stuart Gordon, *Financial Director*  
Geoffrey Forsyth, *Technical Director*  
Peter M Brown, *Non Executive Director*

## *Registered Office:*

Melford Court  
The Havens  
Ransomes Europark  
Ipswich  
Suffolk IP3 9SJ

25 May 2007

Dear Shareholder

## **Cancellation of share premium account**

### **Introduction**

I am writing to you today with details of your Board's proposal to seek Shareholder approval to a cancellation of the Company's share premium account (the "Cancellation") at an Extraordinary General Meeting. This will eliminate or substantially reduce the deficit on the Company's profit and loss account. Subject to the Court's requirements for the protection of the interests of the Company's creditors, any surplus arising on the proposed Cancellation will be credited to the Company's profit and loss account. The Cancellation will enable the Company to distribute profits generated after the proposed Cancellation takes effect (and any surplus reserve arising on the Cancellation which is not required by the Court to be non-distributable) by way of dividend should the Board consider it appropriate to do so in the future.

### **Background to the proposal**

The Act prevents a company from purchasing its own shares or paying dividends where the company does not have sufficient distributable profits to do so.

The audited balance sheet of the Company reveals a retained loss of £6,134,827 as at 30 June 2006, arising from an inter company bad debt provision taken on the operating subsidiary losses incurred during the Group's 7 year life. However £5 million of these Group losses were incurred in periods prior to June 2002, when the company's principal activities related to the operation of an Internet based business directory. Your Board considers these losses to be permanent in nature and that the deficit does not reflect the reality of the Group's current trading position. The deficit has the potential to impact upon the ability of the Group to expand and strengthen its business going forward. As at 31 December 2006, the accumulated deficit had been reduced to £5,855,830. Whilst the Group continues to trade profitably, without the proposed Cancellation it is anticipated that it would take a considerable period of time before the Company was in a position to declare and pay dividends.

## **Share Premium Account**

When a company issues shares at a value that represents a premium over their nominal value, it is required to transfer the premium to a share premium account. The amount standing to the credit of a share premium account may only be used for certain purposes.

In order to eliminate the deficit in the Company's profit and loss account the Board has decided to seek Shareholders' authority to cancel the whole of the Company's share premium account, which stood at £6,045,563 as at 30 June 2006. The reserve arising on the Cancellation can be utilised in reducing or eliminating (depending on the Company's trading) the accumulated deficit on the Company's profit and loss account as at the date the proposed Cancellation takes effect. Subject to protecting the interests of the Company's creditors, any surplus arising may be utilised in creating distributable reserves. The Board will recommend the payment of dividends in the future as and when they consider such dividends to be appropriate.

The most recent reported results show a significant improvement with the Group realising a net profit for the last eighteen months. However, whilst the balance on the Company's profit and loss account remains in deficit, the Company is prohibited by the Act from paying dividends. The proposed Cancellation will eliminate the entire deficit on the profit and loss account.

It is anticipated that the Court Order confirming the Cancellation (if approved by the Court) will be made on 18 July 2007.

The Cancellation will only take effect on the date that an office copy of the Court Order is duly registered by the Registrar of Companies (the "**Effective Date**"). It is expected that the Court Order will have been registered by 28 July 2007.

In order to obtain the Court's approval to the reduction, the Court will require protection for the creditors of the Company whose debts and claims remain outstanding at the Effective Date. The Company proposes to seek the consent of certain of its long term creditors to the Cancellation. Appropriate arrangements will be made, with the approval of the Court, for the protection of any creditors of the Company who have not consented to the reduction. The terms of such protection are for the Court to determine and the Company will give to the Court such undertakings as it is advised are appropriate.

## **Procedure for Reduction**

The Cancellation requires the sanction of a special resolution of the Shareholders and the approval of the High Court.

Following the passing of the special resolution by Shareholders at the EGM an application will be made to the High Court to confirm the Cancellation.

## **Effects of the cancellation of the Share Premium Account**

The Cancellation will leave the Company's total capital, reserves and net assets unchanged and the underlying value of the Company and the net asset value of your shares will be unaffected. The respective positions of the capital of the Company as affected by the proposed cancellation of the Share Premium Account (excluding the effect of any liabilities or after tax profits after 30 June 2006) and subject to any creditor protection required, are illustrated below as at 30 June 2006:

	<b>Before</b>	<b>After</b>
	£	£
Called up Share Capital	297,908	297,908
Share Premium Account	6,045,563	-
Profit and Loss Account	(6,134,827)	(89,264)
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<b>Total Capital and Reserves</b>	<b>208,644</b>	<b>208,644</b>
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### **Extraordinary General Meeting**

Notice of an Extraordinary General Meeting to be held on 21 June 2007, at which a special resolution to approve the Cancellation will be proposed, is set out at the end of this document.

### **Action to be taken**

You will find herewith a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete the Form of Proxy and return it in accordance with the instructions printed thereon so that it is received as soon as possible and in any event not later than 48 hours before the time fixed for the meeting. Completion and return of a Form of Proxy will not prevent you from attending the meeting and voting should you wish to do so.

### **Directors' recommendation and intentions**

The Directors believe that the proposal described in this document is in the best interests of the Shareholders as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the resolution to be proposed at the Company's Extraordinary General Meeting, which will authorise the cancellation of the Company's share premium account, as they intend to do in respect of their aggregate beneficial holdings of 4,951,994 Shares representing 16.6 per cent. of the issued ordinary share capital of the Company.

Yours faithfully,

Philip Dayer  
*Chairman*

# County Contact Centres PLC

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of County Contact Centres PLC to be held at Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ on 21 June 2007 at 12:30 pm for the purpose of dealing with the following business:

### Special Resolution

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

**That the amount standing to the credit of the share premium account of the Company be and is hereby cancelled.**

BY ORDER OF THE BOARD

R S Gordon BA FCMA

Secretary

Date: 25 May 2007

### Notes

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. Such proxy need not be a member of the Company. In the case of a company, the proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. To be effective a form of proxy (enclosed with this notice) and the authority (if any) under which it is signed or a notarially certified or office copy of such authority must be received at the office of the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6ZL at least 48 hours before the time fixed for the meeting. Appointment of a proxy will not preclude a member from attending the meeting (or any adjournment thereof) and voting in person should that member subsequently so decide.

2. The Company pursuant to the Uncertificated Securities Regulations 2001 specifies that only those shareholders registered in the register of members of the Company at 6 pm on 23 May 2007 shall be entitled to attend or vote at the aforesaid general meeting 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 meeting.

3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (in the order in the register of members) who tenders a vote will be accepted to the exclusion of the others.

# County Contact Centres PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 03869545)

## FORM OF PROXY FOR USE AT THE EXTRAORDINARY GENERAL MEETING ON 21 JUNE 2007

I/We: \_\_\_\_\_  
(Block capitals please)

(a) member(s) of the above- named Company hereby appoint \*the Chairman of the meeting

\*(If you desire to appoint some other person as proxy, strike out "the Chairman of the meeting" and insert that other person's name in the space provided.)

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of County Contact Centres PLC to be held at the registered office of the Company, Melford Court, The Havens, Ransomes Europark, Ipswich IP3 9SJ on 21 June 2007 at 12:30 pm and at every adjournment thereof.

(Please indicate with a tick how you wish your vote to be cast.  
If you do not do so, the proxy will abstain or vote at his discretion.)

<b>SPECIAL RESOLUTION:</b>	<b>FOR</b>	<b>AGAINST</b>
That the amount standing to the credit of the share premium account of the Company be and is hereby cancelled.		

Signature: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Dated this: \_\_\_\_\_ day  
of \_\_\_\_\_ 2007

Joint Holders if any: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

*Notes:*

- (1) This proxy form should be deposited with the registrars of the Company not less than 48 hours before the time of the meeting.
- (2) In the case of a member, which is a company, the proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (3) In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (in the order in the register of members) who tenders a vote will be accepted to the exclusion of the others.

**This proxy form should be returned to:  
Lloyds TSB Registrars  
The Causeway, Worthing  
West Sussex, BN99 6ZL**

**Please DO NOT return this form to the Company's offices**