
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately consult your stockbroker, solicitor, bank manager, accountant or other independent financial adviser (being in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 or The Stock Exchange Act 1995 and, in the case of Shareholders in the United Kingdom, an organisation or firm authorised or exempted pursuant to the Financial Services and Markets Act 2000 (“FSMA”)).

If you have sold or otherwise transferred all your registered holding of Ordinary Shares in IFG Group plc (“IFG” or “the Company”), please send this document, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom or to whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your Ordinary Shares, you should retain this document.

The Directors, whose names are set out on page 3 of this document, are responsible for the information in this document. To the best of the knowledge and belief of the Directors (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 makes no omission likely to affect its import.

IFG GROUP PLC

(Registered in Ireland No. 21010)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Chairman of IFG Group plc setting out the reasons and details of the Proposed Acquisition and containing a recommendation to vote in favour of the resolution to be proposed at the Extraordinary General Meeting is set out on pages 3 to 7 of this document. Notice of an Extraordinary General Meeting of the Company to be held at 11.00 a.m. on 18 December, 2006 at Jurys Hotel, Ballsbridge, Dublin 4 is set out on page 42. The attached form of proxy should be completed and returned to the Company’s Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial, Dublin 18 to be received not later than 11.00 a.m. on 16 December, 2006.

For a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the Resolution, see Part 3 of this document. Investors should read the whole document and not rely solely on the summarised financial information in this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of Proposed Acquisition	27 November, 2006
Dispatch of this document	29 November, 2006
Latest time and date for receipt of proxy forms for the EGM	11.00 a.m. on 16 December, 2006
EGM to approve the Proposed Acquisition	11.00 a.m. on 18 December, 2006
Completion	immediately upon conclusion of the EGM

PART 1 – LETTER FROM THE CHAIRMAN OF IFG GROUP

IFG GROUP PLC

(Incorporated and Registered in Ireland under the Companies Acts 1908 – 1959 No. 21010)

Directors

Patrick Joseph Moran (Chairman) (Senior Independent Non-Executive)
Mark George Bourke (Chief Executive)
Colm Barrington (Non-Executive)
Mark Alexander Bogard (British) (Executive Director)
Richard George Hayes (Non-Executive)
Declan Thomas Kenny (Executive Director)
John Francis Lawrie (British) (Non-Executive)
Donal Martin Lynch (Executive Director)
Frank Edmund Ryan (Executive Director)
John Anthony Rowan (Non-Executive)
Victor William Quigley (Executive Director)
Thomas Joseph Wacker (Non-Executive)

Registered Office:

IFG House,
Booterstown Hall,
Booterstown,
Co Dublin,
Ireland.

29 November, 2006

TO ALL SHAREHOLDERS AND, FOR INFORMATION ONLY, TO HOLDERS OF SHARE WARRANTS

Dear Shareholder,

PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED

INTRODUCTION

It was announced on 27 November, 2006 that IFG Group plc, through its wholly owned subsidiary company IFG Trust (Jersey) Limited, has conditionally agreed to acquire the entire issued share capital of Langtry Trust Company (Channel Islands) Limited.

Langtry Trust, based in St. Helier, Jersey, is being acquired from its current owner Lillie Management Services Limited, the principal shareholder of which is Michael Weston, the managing director of Langtry Trust. The Vendor's minority shareholder is Mark Pesco, the client services director of Langtry Trust. The initial consideration payable is Stg£3,426,953 being an aggregate of Stg£869,328 and Stg£2,557,625 representing the net assets of Langtry Trust at 30 September, 2006 and 80% of Langtry Trust's audited turnover for the year ended 31 March, 2006, respectively. Further consideration of up to Stg£7,442,375 may be payable, determined by reference to the turnover of Langtry Trust for the years ending 30 September, 2007 and 30 September, 2008. The aggregate maximum consideration payable is Stg£10,869,328 (€16.067 million). The full consideration is payable in cash. This is set out in detail in paragraph 10 of Part 5 of this document.

Langtry Trust is a specialist corporate services provider offering trust and company administration services and structures, including the services of professional trustees and directors. Langtry Trust is regulated by the Jersey Financial Services Commission.

In view of its size, the Proposed Acquisition is conditional upon the approval of Shareholders which is being sought at the EGM, notice of which is set out at the end of this document. The purpose of this document is to provide you, *inter alia*, with details of the Proposed Acquisition to enable you to vote in respect of the ordinary resolution to approve and implement the Proposed Acquisition of Langtry Trust Company (Channel Islands) Limited. The transaction is also conditional upon the consent of the Jersey Financial Services Commission.

This letter also explains why your Board believes that approval of the Resolution is in the interests of the Company and recommends that you vote in favour of the Resolution to be proposed at the EGM.

BACKGROUND TO AND REASONS FOR THE ACQUISITION

IFG is a specialist financial services company, headquartered in Dublin, with its main operations in Ireland, the Isle of Man and the United Kingdom.

The principal focus of the Group's international division, which is based in the Isle of Man and Jersey, where the business is conducted by IFG International Limited and First National Trustee Company Limited and IFG Trust (Jersey) Limited, respectively, is the provision of trustee and related services to the leisure industry and the provision of offshore corporate and trust services for clients worldwide.

The objective of IFG's international division is to be the leading provider of services in its sector. The international division has a history of growth by acquisition, the most recent being its acquisition of Bank of Scotland Trust Company (International) Limited, a company also based in Jersey providing trust and company administration services.

Langtry Trust, based in Jersey, is a specialist financial services company providing trust and company establishment and management services to predominantly private clients, mainly from the United Kingdom and continental Europe.

A key focus of the IFG international division's acquisition strategy is the expansion of the trustee and corporate services business into geographical locations offering strong growth potential. The Proposed Acquisition continues the Company's strategy of acquiring similar businesses across many jurisdictions of which Jersey is only one, thus consolidating IFG's position as a leading independent corporate service provider. The Directors believe that Langtry Trust is complementary to the Group's existing business in Jersey and is a logical progression following the acquisition of Bank of Scotland Trust Company (International) in December, 2005. The Directors believe that there are further opportunities for similar bolt-on acquisitions in this area which the Company intends to pursue.

Post Completion, it is intended that the business of Langtry Trust will be integrated with that of IFG Trust (Jersey) Limited, with Keith Graham as managing director heading the board which will include the existing directors of Langtry Trust, namely Michael Weston, Mark Pesco and Victor Ho.

In the opinion of the Directors, the Proposed Acquisition provides IFG with the opportunity to expand its international division and for the Enlarged IFG Group to offer its services to a broader market. The Directors believe that there should be considerable benefits to the Group arising from the integration of Langtry Trust, including higher revenues, an expanded client base, access to a wider base of business introducers and the potential for cost savings.

INFORMATION ON THE PROPOSED ACQUISITION

Financial information

The following information in relation to Langtry Trust has been extracted from the financial information on the Proposed Acquisition on pages 8 to 21 of this document:

	<i>Year Ended 31 March</i>		
	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Stg£</i>	<i>Stg£</i>	<i>Stg£</i>
Revenue	3,197,031	3,285,345	3,260,134
Profit before income tax	1,289,106	894,466	905,974

Net assets at 31 March, 2006 amounted to Stg£961,456, including cash of Stg£762,642.

Detailed financial information on Langtry Trust is set out in Part 2 of this document. For a complete understanding of the Proposed Acquisition, Shareholders should read the entire document and not just the summary information produced in this section.

A *pro forma* statement of combined net assets of IFG Group plc after Completion is set out in Part 4 of this document.

History and background

Langtry Trust is a specialist financial services company which since incorporation in 1975 has and continues to provide trust and company administration services to personal and corporate clients. Its income is generated from annual administration fees charged for maintaining and operating the underlying companies and trusts, together with time based activity fees on such entities.

Activities

Langtry Trust provides a comprehensive range of trust and company services to its clients, along with a range of additional services on a bespoke basis according to individual client requirements for wealth preservation, wealth creation and administration efficiency. It is not linked to any other financial entity and thus sees its ability to provide truly independent advice to its clients as a key strength and differentiator in winning new business. Through its knowledge of its clients, and its experience in the sector, Langtry Trust seeks to ensure that only the most appropriate products and services are offered to its clients according to their individual needs and circumstances.

The core services provided include:

- (i) the planning and establishment of trusts, including employment benefit and asset protection trusts and the provision of trustees and all ancillary services such as full trust administration and accountancy services;
- (ii) the planning and formation of companies incorporated in Jersey and in other jurisdictions; and
- (iii) a range of advisory services such as the planning, establishment and management of Jersey limited partnerships, nominee and fiduciary services including the provision of corporate directors and shareholders, advice in respect of investments and asset management, administration and secretarial services and accounting and compliance services for companies, limited partnerships and trusts.

It also operates a number of non-trading subsidiaries which act as nominee shareholders, as is normal in this area of business. Over the years Langtry Trust has built up a network of predominantly London-based legal and accounting professional advisors who act as intermediaries in referring new business. New business taken on is generally referred either from such intermediaries or from existing clients. No one intermediary accounts for more than 8% of such business referred. Langtry Trust is a member of Nexia International, a worldwide network of accounting and tax advisory firms. It has operated a selective policy regarding acceptance of new clients, through due diligence processes involving identification of clients' history and background, assets and tax status and through investigating the respective referral sources.

The company provides services to approximately 670 client entities and employs 28 staff. It has a broad and diverse predominately private client base, which the Directors believe is not dependent on any particular client or group of clients, economic factor or geographical regions. Services provided by the company include, *inter alia*, corporate trusteeship, provision of nominee shareholders, registered offices, directors, secretary, together with the full administration of trusts and companies. The client structures generally hold assets consisting of property, investment portfolios and cash.

Directors and management

The day-to-day operations of Langtry Trust are currently performed by Michael Weston, managing director, Mark Pesco, client service director, and Victor Ho, finance director, assisted by a staff of qualified professionals including accountants and other administrators qualified in corporate and trust activities. Upon Completion Michael Weston, Mark Pesco and Victor Ho will join the board of IFG Trust (Jersey) Limited. Shortly after Completion, the business will be integrated with that of IFG Trust (Jersey) Limited. The entire operation will report to Keith Graham, managing director.

Michael Weston FCA, aged 43, is a Fellow of the Institute of Chartered Accountants in England and Wales and has 24 years relevant experience of being a professional trustee to high net worth individuals and families across many different trusts with wide ranging commercial interests and with beneficiaries with different circumstances and requirements. He has worked with Langtry Trust since 1987.

Mark Pesco BA (Hons), ACA, aged 36, is an Associate of the Institute of Chartered Accountants in England and Wales. He qualified as a chartered accountant with a leading firm of chartered accountants in Jersey where he was responsible for managing risk, client relationships and, as a financial services manager, responsible for the leadership of over 50 staff with specific responsibility for financial performance, client service and quality control. He joined Langtry Trust in 2004.

Victor Ho BA, ACA, aged 40, is an Associate of the Institute of Chartered Accountants in England and Wales. In the period leading to his qualification as a chartered accountant he was in charge of a portfolio of audits of businesses that included offshore trusts, trust companies, investment companies, pension schemes, banks and finance companies. He joined Langtry Trust in 1997.

Upon Completion, it is intended that Michael Weston and Mark Pesco will enter into service agreements with IFG Trust (Jersey) Limited for a term of two years, subject to extension by mutual consent and subject to three months' notice by either party after the second anniversary. The terms of service of any Director of IFG will not be varied as a result of this transaction.

TERMS OF THE PROPOSED ACQUISITION

Under a Share Purchase Agreement dated 24 November, 2006 between Lillie Management Services Limited (the "Vendor"), Michael Weston, Mark Pesco and IFG Trust (Jersey) Limited (the "Purchaser"), the Vendor has agreed to sell and the Purchaser has agreed to buy the entire issued share capital of Langtry Trust.

- (a) The initial consideration for the Proposed Acquisition will be Stg£3,426,953, payable in cash on Completion.
- (b) Further deferred consideration for the Proposed Acquisition will also be payable to the Vendor, full details of which are set out in paragraph 10(i)(h)(ii) of Part 5 of this document.

The maximum aggregate consideration payable under the Proposed Acquisition will be Stg£10,869,328 .

- (c) Completion is expected to take place immediately after the passing of the Resolution at the EGM.

The Acquisition Agreement contains warranties and indemnities in favour of IFG in relation to the accounts of Langtry Trust for the year ended 31 March, 2006, its general financial position, contracts, employees and regulatory compliance.

Further details of the consideration payable and the terms of the Acquisition Agreement, including details of the warranties referred to above, are set out at paragraph 10(i)(h) of Part 5 of this document.

RISK FACTORS

Your attention is drawn to the section of this document entitled "*Risk Factors*" which contains a list of risk factors considered relevant by the Directors of IFG Group to *inter alia*, the Proposed Acquisition.

IFG CURRENT TRADING AND TRENDS

The IFG results for the six months ended 30 June, 2006 were announced on 24 August, 2006. In the six month period ended 30 June, 2006, revenue from continuing activities was €50.8 million compared to €42.5 million in the prior year's corresponding period. Profit before tax was up 61% to €7.1 million compared with a profit before taxation of €4.4 million in the prior year's corresponding period. Basic earnings per share were 8.90c representing an increase of 73% on the prior year's corresponding period.

The International Trustee and Corporate Service business has shown an increase in operating profit from €2.9 million to €3.1 million, an increase of 8% from the prior year's corresponding period.

In the UK, the Pensioner Trustee business, part of the financial services segment, had a solid period, delivering operating profit of €1.6 million. The UK fee based business delivered strong underlying growth. The provision of advisory services to those emigrating from the UK has also performed well in this niche market. The generalist IFA business made a small profit, which represents a hard fought and welcome improvement.

The Mortgage Intermediary business continues to deliver in prime lending with cheques issued by lenders to clients of the Group amounting to €766 million, an increase of 19% over the prior year's corresponding period. The performance of the Title Insurance business was disappointing resulting from market erosion due to a change in the sales mix and poorer sales figures than anticipated. The Group's other Irish financial services businesses have delivered a strong performance across life, pensions and the specialist credit insurance and policy broking business, with each contributing to the significant period on period improvement.

Trading in the Group to the date of this document has been in line with the Directors' expectations and the Directors are confident of the underlying financial and trading prospects of the Enlarged IFG Group for the remainder of the current financial year.

The financial information relating to Langtry Trust for the year ended 31 March, 2006 is set out in Part 2 of this document. Trading between then and the date of this document has been satisfactory and in line with expectations.

Your Directors believe that the prospects for the Enlarged IFG Group to provide continuing growth remain favourable and are confident of a satisfactory trading outcome for the current financial year.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Information on the expected effect of the Proposed Acquisition on the assets and liabilities of the Group is set out in the *pro forma* statement of combined net assets in Part 4 of this document.

It is expected that Langtry Trust will be consolidated into the Group's financial statements for the full 2007 financial year. Taking into account the expected profitability of Langtry Trust and the interest costs in relation to the borrowings associated with the Proposed Acquisition, the Directors believe that the Proposed Acquisition will be earnings enhancing in 2007.

IFG completed a placing of 4,135,651 Ordinary Shares at a price of €1.92 on 23 November, 2006. The proceeds of €7.94 million, before expenses, will be used for general corporate purposes including the acquisition of Langtry Trust.

ACTION TO BE TAKEN

Shareholders will find enclosed a form of proxy for use at the EGM referred to above. Whether or not you intend to be present at the meeting you are requested to complete and return the appropriate form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive no later than 48 hours before the meeting. Forms of proxy should be returned to the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

The completion and return of a form of proxy will not preclude you from attending the meeting and voting in person should you wish.

FURTHER INFORMATION

Your attention is drawn to the section on risk factors set out in this document and to Parts 4 and 5 of this document which contain further information in relation to the Proposed Acquisition.

EXTRAORDINARY GENERAL MEETING

On page 42 of this document you will find a notice of an EGM to be held on 18 December, 2006 at Jurys Hotel, Ballsbridge, Dublin 4 at 11.00 a.m. for the purpose of approving the Proposed Acquisition.

RECOMMENDATION

The Directors consider that the Proposed Acquisition represents a positive step in achieving IFG's objective of securing growth in earnings per share by internally generated expansion and by acquisition. All of the Directors consider the terms of the Proposed Acquisition of Langtry Trust is in the best interests of your Company and its shareholders as a whole and accordingly recommend that you vote in favour of the Resolution relating thereto to be proposed at the EGM, as they intend to do in respect of their own holdings amounting to 13,744,495 Ordinary Shares which represent approximately 20.02% of the Issued Share Capital of the Company.

Yours faithfully,

JOE MORAN
Chairman

PART 2 – FINANCIAL INFORMATION ON LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED

The financial information given on pages 8 to 21 does not constitute statutory accounts within the meaning of Jersey company law.

Statutory accounts for Langtry Trust Company (Channel Islands) Limited for each of the three years ended 31 March, 2006, 31 March, 2005 and 31 March, 2004 have been prepared under UK generally accepted accounting principles (UK GAAP) and audited by PricewaterhouseCoopers and have been delivered to the Jersey Financial Service Commission and the Comptroller of Tax. PricewaterhouseCoopers, the auditors of Langtry Trust Company (Channel Islands) Limited, gave unqualified audit reports within the meaning of Article 110 of the Companies (Jersey) Law 1991 in respect of such accounts. The financial information set out in this Part 2 represents IFRS financial statements of Langtry Trust Company (Channel Islands) Limited compiled without material adjustment from the statutory accounts of Langtry Trust to meet IFRS requirements.

COMPARATIVE INFORMATION ON LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED

Income Statements

The income statements of Langtry Trust Company (Channel Islands) Limited for each of the three years ended 31 March, 2006, 31 March, 2005 and 31 March, 2004 are set out below:

	<i>Notes</i>	<i>2006 Stg£</i>	<i>2005 Stg£</i>	<i>2004 Stg£</i>
Revenue	3	3,197,031	3,285,345	3,260,134
Administrative expenses		<u>(1,925,697)</u>	<u>(2,395,170)</u>	<u>(2,352,254)</u>
Operating profit	5	1,271,334	890,175	907,880
Finance income		29,250	24,692	17,284
Finance costs		<u>(11,478)</u>	<u>(20,401)</u>	<u>(19,190)</u>
Profit before income tax		1,289,106	894,466	905,974
Income tax expense	6	<u>(268,355)</u>	<u>(183,321)</u>	<u>(182,913)</u>
Profit for the period		<u><u>1,020,751</u></u>	<u><u>711,145</u></u>	<u><u>723,061</u></u>

BALANCE SHEETS

The balance sheets of Langtry Trust Company (Channel Islands) Limited as at the end of the three years ended 31 March, are as follows:

	<i>Notes</i>	<i>2006</i> <i>Stg£</i>	<i>2005</i> <i>Stg£</i>	<i>2004</i> <i>Stg£</i>
Assets				
Non-current assets				
Property, plant & equipment	9	142,932	124,541	147,274
Available-for-sale financial assets	10	49,959	—	—
Total non-current assets		<u>192,891</u>	<u>124,541</u>	<u>147,274</u>
Current Assets				
Trade and other receivables	11	1,521,348	1,379,611	1,382,855
Cash and cash equivalents	12	762,642	808,956	481,923
Total current assets		<u>2,283,990</u>	<u>2,188,567</u>	<u>1,864,778</u>
Total assets		<u>2,476,881</u>	<u>2,313,108</u>	<u>2,012,052</u>
Liabilities				
Non-current liabilities				
Borrowings	13	200,860	176,798	202,127
Non-current income tax liabilities		260,145	251,019	182,913
Total non-current liabilities		<u>461,005</u>	<u>427,817</u>	<u>385,040</u>
Current liabilities				
Trade and other payables	15	767,975	1,020,372	801,972
Current income tax liabilities		251,019	178,447	188,552
Borrowings	13	35,426	27,767	45,014
Total current liabilities		<u>1,054,420</u>	<u>1,226,586</u>	<u>1,035,538</u>
Total liabilities		<u>1,515,425</u>	<u>1,654,403</u>	<u>1,420,578</u>
Net assets		<u>961,456</u>	<u>658,705</u>	<u>591,474</u>
Equity				
<i>Capital & reserves attributable to equity holders of the company</i>				
Share capital	16	50,000	50,000	50,000
Retained earnings		911,456	608,705	541,474
Total equity		<u>961,456</u>	<u>658,705</u>	<u>591,474</u>

STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital Stg£</i>	<i>Retained Earnings Stg£</i>	<i>Total Stg£</i>
Balance at 1 April, 2003	50,000	694,413	744,413
Net income for year	—	723,061	723,061
Dividends	—	(876,000)	(876,000)
At 31 March, 2004	50,000	541,474	591,474
Net income for the year	—	711,145	711,145
Dividends	—	(640,250)	(640,250)
Distribution	—	(3,664)	(3,664)
At 31 March, 2005	50,000	608,705	658,705
Net income for the year	—	1,020,751	1,020,751
Dividends	—	(718,000)	(718,000)
At 31 March, 2006	50,000	911,456	961,456

CASH FLOW STATEMENTS

The cash flow statements of Langtry Trust Company (Channel Islands) Limited for each of the three years ended 31 March, 2006, 31 March, 2005 and 31 March, 2004 are as follows:

	<i>Notes</i>	<i>2006</i> <i>Stg£</i>	<i>2005</i> <i>Stg£</i>	<i>2004</i> <i>Stg£</i>
Cash flows from operating activities				
Cash generated from operations	18	940,255	1,187,566	1,043,979
Interest received		29,520	24,692	17,284
Income taxes paid		(186,657)	(125,320)	(150,985)
Net cash generated from operating activities		<u>783,118</u>	<u>1,086,938</u>	<u>910,278</u>
Cash flows from investing activities				
Purchase of property, plant and equipment		(15,216)	(48,779)	(26,628)
Sale of property, plant and equipment		—	25,765	—
Purchase of financial assets		(49,959)	—	—
Net cash used in investing activities		<u>(65,175)</u>	<u>(23,014)</u>	<u>(26,628)</u>
Cash flows from financing activities				
Dividends paid		(718,000)	(640,250)	(876,000)
Interest paid		(11,478)	(24,065)	(19,190)
Payment of finance lease liabilities		(34,779)	(72,576)	(76,672)
Net cash used in financing activities		<u>(764,257)</u>	<u>(736,891)</u>	<u>(971,862)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(46,314)</u>	<u>327,033</u>	<u>(88,213)</u>
Cash and cash equivalents at the beginning of the year		<u>808,956</u>	<u>481,923</u>	<u>570,136</u>
Cash and Cash Equivalents at end of year		<u><u>762,642</u></u>	<u><u>808,956</u></u>	<u><u>481,923</u></u>

Cash and Cash Equivalents are comprised of cash and short term deposits net of bank overdrafts that are repayable on demand.

1. GENERAL INFORMATION

Langtry Trust Company (Channel Islands) Limited and its subsidiaries are engaged in the provision of trust and company administration. The Company is a limited company, incorporated and domiciled in Jersey. The address of its registered office is Langtry House, 40 La Motte Street, St. Helier, Jersey.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

Basis of preparation of the consolidated financial statements

The consolidated financial statements of Langtry Trust Company (Channel Islands) Limited have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements, which are presented in Sterling, have been prepared under the historical cost convention as modified by the measurement at fair value of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. These assumptions affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. No critical accounting estimates have been used in the periods presented. If in the future such estimates and assumptions which are based on management’s best judgement at the date of the financial statements, deviate from the actual outcome, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Consolidation

These financial statements are the consolidated financial statements of Langtry Trust Company (Channel Islands) Limited, a company registered in Jersey and its subsidiaries (“Langtry”).

The subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying shareholdings of more than 50% of the voting rights. Companies acquired during the year are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the cost of the acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. Inter-company balances and transactions and resulting unrealised income are eliminated in full.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in an asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated over their useful economic life on a straight line basis at the following rates:

Improvements to leasehold property	10%
Fixtures & Fittings	25%
Motor vehicles	25%
Computer equipment	25%

The residual value and useful lives of property, plant and equipment are reviewed and adjusted if appropriate at each balance sheet date.

On disposal of property, plant and equipment the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the income statement.

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment when events or circumstances indicate that the carrying value of the assets exceeds its recoverable amount. Recoverable amount is the higher of an asset's carrying value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Financial assets

The group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments are acquired.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either classified in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

All financial assets are initially recorded at fair-value, including transaction costs. All purchases and sales are recognised on the settlement date. Available-for-sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recorded in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Financial assets are assessed for impairment at each balance sheet date.

Trade receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated cash flows. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. They are however shown as part of borrowings in current liabilities on the balance sheet.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits to ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or if lower the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of

finance costs over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at cost being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

Taxation

The tax expense in the income statement represents the sum of the tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before income tax, as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using rates that have been enacted or substantially enacted at the balance sheet date. Any taxation not payable within twelve months is disclosed as a non-current liability.

Deferred income tax is provided in full, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply in the year when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred income tax asset to be utilised.

Revenue recognition

Revenue comprises fees and commissions from provision of trustee & corporate services and is based on billable invoice on both a fixed fee and time basis. Revenue is recognised, when, and to the extent that, the Group has obtained the right to consideration in exchange for the services that it provides. In respect of revenue for fixed fee contracts the Group invoices customers in advance of the performance of its contractual obligations and a liability equal to that amount is recognised as deferred income. That liability is reduced and the amount of the reduction recognised as revenue, when and as the Group obtains the right to consideration in exchange for the contracted service it provides. Time based revenue is billed on a quarterly basis.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends declared after the balance sheet date are disclosed in a subsequent events note.

3. CRITICAL ACCOUNTING ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Bad debt provisioning

Directors exercise commercial judgement when accounting for bad and doubtful debts. Should circumstances change that would alter that judgement it could result in additional bad debt expense in a period.

4. REVENUE

	<i>2006</i> <i>Stg£</i>	<i>2005</i> <i>Stg£</i>	<i>2004</i> <i>Stg£</i>
Trust and company administration fees	3,191,788	3,273,825	3,235,121
Commissions	5,243	11,520	25,013
	<u>3,197,031</u>	<u>3,285,345</u>	<u>3,260,134</u>

5. EMPLOYEE BENEFIT EXPENSE

The average number of persons employed by the Group during the year was 28 (2005: 28; 2004: 29).

	<i>2006</i> <i>Stg£</i>	<i>2005</i> <i>Stg£</i>	<i>2004</i> <i>Stg£</i>
Wages and salaries	902,669	912,867	884,662
Social welfare costs	85,934	81,157	80,023
	<u>988,603</u>	<u>994,024</u>	<u>964,685</u>

6. OPERATING PROFIT

	<i>2006</i> <i>Stg£</i>	<i>2005</i> <i>Stg£</i>	<i>2004</i> <i>Stg£</i>
The following items have been charged in operating profit:			
Depreciation	63,325	74,012	69,544
Operating lease rentals – property	92,700	92,700	72,000
Auditors' remuneration			
— audit	15,536	23,850	20,978
— non audit	—	1,000	
Directors emoluments	367,000	400,083	517,085
Bad and doubtful debts charge/(credit)	(82,000)	347,000	170,000

7. INCOME TAX EXPENSE

	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Total</i>	<i>Total</i>	<i>Total</i>
	<i>Stg£</i>	<i>Stg£</i>	<i>Stg£</i>

The taxation charge is based on profit on ordinary activities for the year and comprises:

Corporation tax

Jersey (at 20%):

— current year	260,145	179,609	182,913
— prior year	8,210	3,712	—
	<u>268,355</u>	<u>183,321</u>	<u>182,913</u>

Reconciliation of current tax charge for the year:

	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Total</i>	<i>Total</i>	<i>Total</i>
	<i>Stg£</i>	<i>Stg£</i>	<i>Stg£</i>
Profit/(loss) before income tax	<u>1,289,106</u>	<u>894,451</u>	<u>907,541</u>
Profit at the Jersey corporation tax rate for the year of 20%	257,821	178,890	181,508
Effects of:			
Other expenses not deductible for tax purposes	832	1,722	1,665
Depreciation in excess of capital allowances	—	—	179
Other tax timing differences	<u>9,702</u>	<u>2,709</u>	<u>(439)</u>
Current tax charge for the year	<u><u>268,355</u></u>	<u><u>183,321</u></u>	<u><u>182,913</u></u>

8. DIVIDENDS

	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Total</i>	<i>Total</i>	<i>Total</i>
	<i>Stg£</i>	<i>Stg£</i>	<i>Stg£</i>
Interim dividend paid Stg£14.36 (2005:Stg£12.81;2004:Stg£17.52) per Stg£1 share	<u>718,000</u>	<u>640,250</u>	<u>876,000</u>

9. PROPERTY, PLANT & EQUIPMENT

	<i>Land and buildings Stg£</i>	<i>Computer equipment Stg£</i>	<i>Fixtures & fittings Stg£</i>	<i>Motor vehicles Stg£</i>	<i>Total Stg£</i>
Cost					
At 1 April, 2003					
— cost	88,313	121,442	105,333	80,000	395,088
Additions	—	35,565	20,316	30,000	85,881
Disposals	—	—	—	(25,000)	(25,000)
At 31 March, 2004	88,313	157,007	125,649	85,000	455,969
Accumulated depreciation					
At 1 April, 2003	(88,313)	(63,835)	(46,824)	(62,085)	(261,057)
Charge for year	—	(30,412)	(24,413)	(14,688)	(69,513)
Disposals	—	—	—	21,875	21,875
At 31 March, 2004	(88,313)	(94,247)	(71,237)	(54,898)	(308,695)
Net book amounts					
At 31 March, 2003	Nil	57,607	58,509	17,915	134,031
At 31 March, 2004					
— cost	88,313	157,007	125,649	85,000	455,969
— accumulated depreciation	(88,313)	(94,247)	(71,237)	(54,898)	(308,695)
	Nil	62,760	54,412	30,102	147,274
Cost					
At 1 April, 2004					
— cost	88,313	157,007	125,650	85,000	455,970
Additions	—	9,014	39,765	30,000	78,779
Disposals	—	(29,020)	(25,307)	(60,000)	(114,327)
At 31 March, 2005	88,313	137,001	140,108	55,000	420,422
Accumulated depreciation					
At 1 April, 2004	(88,313)	(94,247)	(71,238)	(54,898)	(308,696)
Charge for year	—	(31,336)	(26,949)	(15,727)	(74,012)
Disposals	—	29,020	25,307	32,500	86,827
At 31 March, 2005	(88,313)	(96,563)	(72,880)	(38,125)	(295,881)
Net book amounts					
At 31 March, 2004	Nil	62,760	54,412	30,102	147,274
At 31 March, 2005					
— cost	88,313	137,001	140,108	55,000	420,322
— accumulated depreciation	(88,313)	(96,563)	(72,880)	(38,125)	(295,781)
	Nil	40,438	67,228	16,875	124,541
Cost					
At 1 April, 2005					
— cost	88,313	137,001	140,108	55,000	420,422
Additions	—	74,275	7,441	—	81,716
Disposals	—	(32,309)	(15,049)	(25,000)	(72,358)
At 31 March, 2006	88,313	178,967	132,500	30,000	429,780
Accumulated depreciation					
At 1 April, 2005	(88,313)	(96,564)	(72,879)	(38,125)	(295,881)
Charge for year	—	(26,648)	(29,177)	(7,500)	(63,325)
Disposals	—	32,309	15,049	25,000	72,358
At 31 March, 2006	(88,313)	(90,903)	(87,007)	(20,625)	(286,848)
Net book amounts					
At 31 March, 2005	Nil	40,437	67,229	16,875	124,541
At 31 March, 2006					
— cost	88,313	178,967	132,500	30,000	429,780
— accumulated depreciation	(88,313)	(90,903)	(87,007)	(20,625)	(286,848)
	Nil	88,064	45,493	9,375	142,932

Capital commitments

At 31 March, 2006 amounts authorised by the Directors but not contracted for were Stg£nil (2005: Stg£nil; 2004 Stg£nil). Capital commitments contracted for were Stg£nil (2005: Stg£nil; 2004: Stg£nil).

Finance Leases

As at 31 March, 2006, the net book value of assets held under finance lease was Stg£91,926 (2005: Stg£56,229; 2004 Stg£102,495). Finance lease arrangements in place are primarily in respect of motor vehicles and office equipment.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<i>Unquoted investments Stg£</i>
At 1 April, 2003	Nil
Additions	—
At 31 March, 2004	Nil
Additions	—
At 31 March, 2005	Nil
Additions	49,959
At 31 March, 2006	49,959

The value of unquoted investments relate to 85,000 shares of US\$1 each in Fulbright Inc., a company incorporated in the Cayman Islands, which were acquired in November, 2005. These were initially recorded at fair value. To date no income has been generated from available-for-sale assets.

11. TRADE & OTHER RECEIVABLES

	<i>2006 Stg£</i>	<i>2005 Stg£</i>	<i>2004 Stg£</i>
Trade and other debtors	1,420,842	1,290,110	1,277,066
Prepayments	56,506	45,501	61,789
Other receivables	44,000	44,000	44,000
	<u>1,521,348</u>	<u>1,379,611</u>	<u>1,382,855</u>

Trade and other receivables are carried at fair value. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. Trade receivables are shown after deducting provision for bad and doubtful debts of Stg£553,000 (2005: Stg£707,000; 2004: Stg£748,000). This expense is included in administrative expenses in the income statement.

12. CASH AND CASH EQUIVALENTS

	<i>2006 Stg£</i>	<i>2005 Stg£</i>	<i>2004 Stg£</i>
Cash at bank and in hand	172,575	99,791	111,774
Short-term bank deposits	590,067	709,165	370,149
	<u>762,642</u>	<u>808,956</u>	<u>481,923</u>

Cash at bank and in hand earns interest at floating rates based on daily deposit bank rates. Short-term deposits are made for varying periods up to 3 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

13. BORROWINGS

	2006	2005	2004
	Stg£	Stg£	Stg£
Non-Current			
Bank borrowings	150,000	150,000	150,000
Leasing finance	50,860	26,798	52,127
	<u>200,860</u>	<u>176,798</u>	<u>202,127</u>
Current			
Leasing finance	<u>35,426</u>	<u>27,767</u>	<u>45,014</u>

The bank loan of Stg£150,000 is secured by a guarantee from Langtry House Limited over 42 La Motte Street, St. Helier, Jersey, interest payable at 2% over base rate. Subsequent to 31 March 2006, the Group renegotiated the security on its bank loan. The loan is now secured on a deposit, the interest rate is 0.5% over base and it is due to be repaid on 31 December 2014.

Maturity profile

The maturity profile of the carrying amount of the Group's leasing liabilities were as follows:

	2006	2005	2004
	Stg£	Stg£	Stg£
Finance lease			
Within one year	35,426	27,767	45,014
Between two and five years	50,860	26,798	52,157
	<u>86,286</u>	<u>54,564</u>	<u>97,141</u>

14. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's various exposures to financial risk are set out below.

(a) *Market risk*

Foreign exchange risk

The Group is not exposed to significant foreign exchange risk due to the fact that trading companies in the Group tend to have the majority of their revenues and expenses in their functional currency.

(b) *Credit risk*

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

(c) *Liquidity risk*

Liquidity risk is managed by maintaining sufficient cash resources and availability of funding through an adequate amount of committed credit facilities if and when required.

(d) *Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

15. TRADE AND OTHER PAYABLES (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2006	2005	2004
	Stg£	Stg£	Stg£
Accruals and other creditors	99,040	399,989	202,172
Deferred income	668,935	620,383	599,800
	<u>767,975</u>	<u>1,020,372</u>	<u>801,972</u>

16. SHARE CAPITAL

	2006	2005	2004
	Stg£	Stg£	Stg£
<i>Authorised</i>			
Ordinary shares of Stg£1 each	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<i>Allotted and fully paid up</i>			
At 31 March	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

17. OPERATING LEASE COMMITMENTS

The Group leases various properties under non-cancellable operating lease agreements. The lease expenditure charged to the income statement during the year is disclosed in Note 6.

The future aggregate minimum lease payments under the non-cancellable operating leases are as follows:

	2006	2005	2004
	Stg£	Stg£	Stg£
— within one year	92,700	92,700	92,700
— in the second to fifth year	370,800	370,800	370,800
— over five years	308,700	401,400	494,100
	<u>772,200</u>	<u>864,900</u>	<u>957,600</u>

18. COMMITMENTS AND CONTINGENCIES

1. Langtry Trust is not involved in any legal or arbitration proceedings which may have a significant effect on its financial position.
2. An agreement was reached between the Company and a previous consultant whose contract was terminated. Under the agreement the company will be jointly and severally liable with Lillie Management Services Limited (“Lillie”), the immediate parent company, to pay an initial sum of Stg£150,000 and annual amounts of Stg£70,000 for ten years, subject to certain criteria being achieved. The sum outstanding at November 2006, pursuant to this agreement is £548,000. Lillie has confirmed that this amount is held on deposit for the purpose of discharging in full the liability under the agreement.

19. CASH GENERATED FROM OPERATIONS

(i) Reconciliation of operating profit to net cash from operating activities

	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Stg£</i>	<i>Stg£</i>	<i>Stg£</i>
Profit for the period	1,020,751	711,145	723,061
Depreciation	63,325	74,012	69,513
Loss on sale of fixed assets	—	1,735	3,125
Finance costs	11,478	20,401	19,190
Finance income	(29,520)	(24,692)	(17,284)
Tax charge	268,355	183,321	182,913
(Increase)/decrease in trade & other receivables	(141,737)	3,244	(30,928)
(Decrease)/increase trade & other payables	(252,397)	218,400	94,389
	<u>940,255</u>	<u>1,187,566</u>	<u>1,043,979</u>
Cash generated from operations	<u>940,255</u>	<u>1,187,566</u>	<u>1,043,979</u>

20. RELATED PARTY TRANSACTIONS

The aggregate compensation of executive directors is given in Note 6 “Operating profit”. The Group defines key management as being composed of the executive directors.

Included within the consolidated income statement is rent payable of Stg£72,000 to Langtry House Limited, a company related by common directors. The lease on this building expires in 2015. Included within prepayments is Stg£32,683 due from Langtry House Limited.

21. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent company is Lillie Management Services Limited. The ultimate parent company is Excelsior Investment Holdings Limited. Both companies are incorporated in Jersey, Channel Islands.

REPORT ON FINANCIAL INFORMATION ON LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED

Set out below is the full text of a report to the Directors of IFG Group plc and the Directors of Davy from PricewaterhouseCoopers, an independent firm of accountants, regarding the financial information on Langtry Trust Company (Channel Islands) Limited.

The Directors
IFG Group Plc
IFG House
Boosterstown Hall
Boosterstown,
County Dublin

Davy (the Sponsor)
Davy House
49 Dawson Street
Dublin 2

29 November, 2006

Dear Sirs,

Langtry Trust Company (Channel Islands) Limited

Introduction

We report on the IFRS consolidated financial information on Langtry Trust Company (Channel Islands) Limited for the three years ended 31 March, 2006 (“the IFRS financial information”), set out on pages 8 to 21 of the Circular dated 29 November, 2006 of IFG Group plc (“the Company”). This IFRS Financial Information has been prepared for inclusion in the Circular on the basis of the accounting policies set out on pages 12 to 14. This report is required by Listing Rule 10.5.21 of the Listing Rules and is given for the purpose of complying with that Listing Rule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the IFRS Financial Information on the basis of preparation set out on page 12.

It is our responsibility to form an opinion as to whether the IFRS Financial Information gives a true and fair view, for the purposes of the Circular, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the IFRS financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the IFRS financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the IFRS financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion, the IFRS financial information gives, for the purposes of the Circular dated 29 November, 2006, a true and fair view of the state of affairs of Langtry Trust Company (Channel Islands) Limited as at the dates stated and of its consolidated profits and cash flows for the periods then ended in accordance with the basis of preparation set out on page 12 and in accordance with IFRS as adopted by the EU as described on page 12 and has been prepared in a form that is consistent with the accounting policies adopted in the Company's latest annual accounts.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

PART 3 – RISK FACTORS

GENERAL

Investors should carefully consider all of the information in this document including the risks and uncertainties described below. Those risks and uncertainties are considered by the Directors to be the material risk factors currently faced by the Group or applicable to an investment in the Company's shares.

If any of the following risks actually materialise, the Group's business, financial condition, prospects and share price could be materially and adversely affected to the detriment of the Company and its Shareholders, and investors may lose all or part of their investment. Additional risks and uncertainties which are not known to the Directors at the date of this document, or which the Directors currently do not consider to be material, may also have a material adverse effect on the Group if they materialise. The risks set out below are those which the Directors currently believe to be material to the Group. The risks set out below are not intended to be presented in any particular order of priority.

(A) GENERAL RISK FACTORS

Forward-looking statements and the risks associated with them

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "may", "will", "would" or "should" or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, and the markets in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, but without limitation: conditions in the markets, the market position of the Group, earnings, financial position, cash flows, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the events described herein on the Company and the Group. Forward – looking statements contained in this document based on these trends or activities should not be taken as a representation that such trends or activities will continue in the future. Forward looking statements speak only as of the date on which the particular statement was made. Except as required by the Prospectus Rules, the Market Abuse Rules, the Disclosure Rules, the Listing Rules, the Irish Stock Exchange, the London Stock Exchange or by law, the Company disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any changes in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Past performance is not a reliable indicator of future performance

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to future performance. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts.

(B) GENERAL INDUSTRY RISK FACTORS

Competition

The Group operates in competitive markets and is exposed to risks that competitors will provide similar services at lower fees. In addition, there can be no guarantee that the Group's competitors or new entrants will not bring superior services to the market. Such companies may have greater financial, marketing and operational resources than the Group.

Economic and market cycles

The Group's businesses are subject to the general risks to which all companies operating in the same markets as the Group are subject. The markets in which the Group operates may be affected by

numerous factors, many of which are beyond the Group's control and the exact effect of which cannot be accurately predicted. Within geographical markets, such factors include general economic and political activities, including the extent of any governmental regulation and taxation. In particular the Group could be adversely affected by the following:

- economic and political conditions: the markets in which specialised financial services companies such as IFG operate may be affected by the performance of the economy and political conditions in the countries in which it is present. If economic growth in Ireland or the UK slows or general economic conditions deteriorate, it could have a material adverse effect on the Group's business and financial condition;
- administrative, taxation and other regulatory factors: changes in administrative, taxation or regulatory factors may have an adverse effect on the performance of the Group. Due to strict rules and regulations within the financial services sector any changes in these could have the potential to limit the activities of the Group and affect overall revenue;
- fluctuations in property values and interest rates: the Group's mortgage lending business may be linked to the performance of the property markets in Ireland, the UK and other markets in which its clients may invest. Property markets themselves depend on various macro-economic factors which are outside IFG's control, including, but not limited to, changes in government policy, laws, interest rates, economic growth and inflation. The impact of changes in these areas on the industry generally cannot be predicted.

Health and Safety laws and standards

Specialist financial services companies are subject to a broad range of laws, regulations and standards, including those relating to the health and safety of employees and protection of the public. These regulations and standards are becoming increasingly stringent. It is the Group's policy to require that all of its subsidiaries comply with applicable laws, regulations and standards in this area. However, violations of such laws, regulations and standards, by any of these subsidiaries or by other companies operating in those markets could result in increased costs of compliance with potential reputational damage.

(C) COMPANY SPECIFIC RISKS

Current and Future Financing Requirements

The Group's ability to grow its businesses profitably is somewhat dependent upon its ability to generate or obtain capital at an acceptable cost. The ability to arrange financing in the future will depend in part upon prevailing capital market conditions, as well as conditions within the businesses and/or operating results. Such factors may impact on the Group's efforts to arrange additional financing on satisfactory terms.

The terms of the Group's senior unsecured notes and current secured banking facilities may limit the Group's ability to further materially leverage its business. This debt may also increase the cost of new borrowings thereby impacting on the Company's profitability.

The principal terms of the note subscription agreement relating to the issue of senior unsecured notes include financial covenants from IFG in respect of interest coverage ratio, leverage ratio, the level of Subsidiary company indebtedness and a negative pledge on encumbrances on Group assets. The most material covenant is that relating to the leverage ratio which requires the Company to maintain a ratio of core trading net debt to consolidated EBITDA not greater than 3.5 to 1 and a ratio of core trading secured debt to consolidated EBITDA not greater than 2.75 to 1.

The principal terms of the Group's secured banking facilities include financial covenants from IFG in respect of net debt and interest cover. The most material covenants are those relating to the debt ratio which requires the Company to maintain a ratio of debt to EBITDA of no greater than 3 to 1 and a ratio of EBITDA to interest of less than 4 to 1.

Cost Management

If the Group fails to successfully manage its costs the results of operations could be materially and adversely affected. The Group's ability to reduce its costs on a timely basis during periods of declining income in order to address competitive pressures is critical to the maintenance of profit margins. If the Group is unable to adjust its cost base accordingly, profit margins could suffer.

Competition

IFG operates in competitive markets and is exposed to risks that its competitors will provide similar services at lower fees. There can be no guarantee that its competitors or new entrants to the sector will not bring superior services than those offered by IFG to the market. Such companies may have greater financial, marketing and operational resources than the Group. In such event, IFG's revenues and operating profits could be lower.

Mortgage Market in Ireland

The Group derives a significant portion of profit from its mortgage broking business, Mortgage Business Solutions. The performance and growth of this business is dependent on the level of new residential mortgages written in the Irish market. In the event of a downturn in the Irish residential property market or a rise in interest rates, the volumes of mortgages written by this business could be negatively affected, thereby reducing the profitability of the Group.

Senior Management and Skilled Personnel

The Group is dependent on members of its senior management team and skilled personnel and believes its future success will depend in part on its ability to attract and retain highly skilled management and personnel. If the Group does not succeed in attracting and retaining skilled personnel, it may not be able to grow its businesses as anticipated. Further, the departure of any of the Company's executive Directors or significant changes in senior management could, in the short term, have a material adverse effect on the Group's businesses, leading to reduced revenues and/or higher costs or reduced profitability.

Pension Liabilities

The Group operates a defined benefit pension scheme for eligible employees in the Isle of Man. The scheme was closed to new entrants with effect from 1 November, 1997. The assets of the scheme are held, separately from those of the Group being invested with an insurance company.

Updated actuarial valuations at 31 December, 2005, under IAS 19, value the scheme's assets at €3.353 million and liabilities at €5.087 million. Under IAS 19, the pension deficit is recognised in the Group's balance sheet. The value of this deficit is based, amongst other things, on assumptions regarding inflation, discount rates, expected return on plan assets, salary increases and future pension increases. The assumptions may differ from the actual data as a result of changes in economic and market conditions. In the event that the market value of the scheme's assets declines in relation to its assessed liabilities, the Group may be required to increase its contributions to cover any further funding shortfalls. This could have an adverse impact on the Group's operational results and cash flow.

Interest Rates

Although IFG has in place fixed rate debt, an element of risk still exists and significant rises in interest rates could affect the ongoing profitability of the Group's business. In the event of the Group failing to generate profit, Group cash flows will be impacted with resulted higher interest costs being suffered.

Foreign Exchange

Foreign exchange transaction exposure exists but is limited due to the fact that trading companies in the Group tend to have the majority of their revenues in their functional currency. However, significant adverse movement in foreign currency, particularly Sterling pounds, could have an adverse affect on the Company's cash flows and operating profits.

Regulations and Standards

The Group is subject to a broad range of laws, regulations and standards in all its operating jurisdictions, including those relating to investment advice, financial service activities, money laundering, mortgage broking and trustee laws. These regulations and standards are becoming increasingly stringent. Many of the Group's operating subsidiaries are regulated and authorised by local regulatory authorities in the jurisdictions they operate in and it is the Group's policy and practice to require that all its subsidiaries comply fully with applicable laws, regulations and standards. However, violations of such laws, regulations and standards could result in restrictions on

the operations of the Group, damages, fines or other sanctions and increased costs of compliance with potential reputational damage.

Complaints

The Group's UK business which has historically been involved, amongst other activities, in the arrangement of endowment policies to support mortgages and investment related financial products has, in common with other independent financial advisers, been the subject of complaints from customers who have allegedly suffered losses as a result of mis-selling. While the Group has initiated remedial actions in respect of the past business there can be no certainty about the future level or cost of such complaints. It is possible that business currently being written leads to future complaints.

Taxation

Revenue law and/or practice in Ireland may change with consequent adverse effects on the Company or in shareholder taxation issues for Irish tax resident investors. Changes in Revenue law and/or practice in the UK may result in changes in shareholder taxation issues for UK tax resident investors.

The risks identified above are, in the view of the Directors, the relevant risks pertaining to the industry and the Group and which the Directors consider may have a material adverse effect on the Group if they materialise. Additional risks and uncertainties which are not known to the Directors at the date of this document, or which the Directors currently do not consider to be material, may have a material adverse effect on the Group if they materialise

To the best of the knowledge and belief of the Directors all relevant material risks have been disclosed in this Circular.

(D) RISKS RELATING TO THE PROPOSED ACQUISITION

The past and present performance of Langtry Trust and all present and past facts, circumstances and information, and assumptions are not a guide to or an indication of the future performance of Langtry Trust. Accordingly the future performance of Langtry Trust may have a detrimental affect on the revenues, costs and operating profits of IFG.

Integration Risk

The Group may encounter difficulties integrating Langtry Trust into its business and in successfully realising the growth expected from the acquisition. To the extent that the Group encounters problems in integrating Langtry Trust, the Group's financial performance and condition, including revenues and costs, could be adversely affected.

We are subject to counterparty risk

Under the terms of the Acquisition Agreement, the Vendor has given certain representations, warranties, indemnities and covenants (referred to at paragraph 10(i)(h)(iii) of Part 5 of this document) in favour of IFG. Our ability to recover any amounts in respect of those representations, warranties, indemnities and covenants is dependent, amongst other things, on the continued solvency of the Vendor. In addition, the liabilities of the Vendor in respect of representations, warranties and indemnities under the Acquisition Agreement are limited. We may sustain losses in excess of any such limitation, thus impacting on the Group's ongoing profitability.

(E) RISKS RELATING TO THE LANGTRY TRUST'S BUSINESS

Langtry Trust's Historical Operating Results Should Not Be Relied Upon As An Indication Of Future Performance

Langtry Trust's operating results may fluctuate significantly in the future due to a number of factors, many of which are beyond its control. Accordingly, Shareholders should not rely on Langtry Trust's results to date as an indication of future performance.

Langtry Trust's Continued Growth Will Require it to Recruit and Retain Key Personnel

Following the Proposed Acquisition, it is the Group's intention to retain the Langtry Trust's directors in their current management positions together with the integration of existing IFG management from the Trustee & Corporate businesses. Langtry Trust's performance depends significantly on the efforts and expertise of this management and other key senior personnel. Recruiting and retaining managerial

personnel is difficult in this area. The Company's inability to attract and retain suitably qualified personnel may have a negative effect on its revenues, costs and profits.

Reliance on key intermediaries

Langtry Trust relies on a network of intermediaries including legal and accounting firms which habitually refer new business. In the event that Langtry Trust experienced a loss of confidence from its network of intermediaries, it is likely that this would result in significantly reduced future revenues.

Reputation of Offshore centres

Langtry Trust is based in Jersey, which is an offshore financial services centre. To the extent that the reputation of Jersey in particular or offshore centres in general was to suffer, then this could have a negative impact on the future performance of Langtry Trust.

Regulations and Standards

The company is subject to a broad range of laws, regulations and standards in its operating jurisdiction, including those relating to financial service activities, money laundering and trustee laws. These regulations and standards are becoming increasingly stringent. It is the company's policy and practice to comply fully with applicable laws, regulations and standards. However, violations of such laws, regulations and standards could result in restrictions on its operations, damages, fines or other sanctions and increased costs of compliance with potential reputational damage.

The risks noted above are those which the Directors believe to be material to the Group. Additional risks and uncertainties which are not known to the Directors at the date of this document, or which the Directors currently do not consider to be material, may also have a material adverse effect on the Group if they materialise.

PART 4 – PRO FORMA STATEMENT OF COMBINED NET ASSETS OF THE ENLARGED IFG GROUP

Set out below is an illustrative *pro forma* statement of combined net assets of the Enlarged IFG Group extracted from the unaudited interim consolidated balance sheet of IFG at 30 June, 2006 and the audited balance sheet of Langtry Trust Company (Channel Islands) Limited at 31 March, 2006 (translated at the rate of exchange on 23 November, 2006 of €1 = Stg£0.6765), and prepared on the basis that the Proposed Acquisition took place as at 30 June, 2006. The *pro forma* statement has been prepared for illustrative purposes only, and because of its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

	<i>IFG Group</i> €'000 <i>at 30 June</i> <i>2006</i> <i>(note 1)</i>	<i>Langtry Trust Limited</i> €'000 <i>at 31 March</i> <i>2006</i> <i>(note 2)</i>	<i>Other Adjustments</i> €'000 <i>(note 3)</i>	<i>Consolidation Adjustments</i> €'000 <i>(note 4)</i>	<i>Pro-Forma Enlarged Group</i> €'000 <i>(note 5)</i>
Assets					
Non-current assets					
Property, plant & equipment	5,237	211	—	—	5,448
Intangible assets	53,920	—	—	14,038	67,958
Investments in associates	131	—	—	—	131
Deferred income tax assets	1,323	—	—	—	1,323
Investments	—	—	15,459	(15,459)	—
Available-for-sale financial assets	1,472	74	—	—	1,546
Other receivables	263	—	—	—	263
Total non-current assets	<u>62,346</u>	<u>285</u>	<u>15,459</u>	<u>(1,421)</u>	<u>76,669</u>
Current assets					
Inventories	—	—	—	—	—
Trade and other receivables	37,235	2,249	—	—	39,484
Current income tax asset	368	—	—	—	368
Cash and cash equivalents	17,498	1,127	(5,231)	—	13,394
Total current assets	<u>55,101</u>	<u>3,376</u>	<u>(5,231)</u>	<u>—</u>	<u>53,246</u>
Total assets	<u>117,447</u>	<u>3,661</u>	<u>10,228</u>	<u>(1,421)</u>	<u>129,915</u>
Liabilities					
Non-current liabilities					
Borrowings	29,576	297	—	—	29,873
Deferred income tax liabilities	516	—	—	—	516
Non-current income tax liabilities	—	385	—	—	385
Retirement benefit obligations	912	—	—	—	912
Provisions for liabilities and charges	884	—	10,228	—	11,112
Other non-current liabilities	1,250	—	—	—	1,250
Total non-current liabilities	<u>33,138</u>	<u>682</u>	<u>10,228</u>	<u>—</u>	<u>44,048</u>
Current liabilities					
Trade and other payables	36,924	1,135	—	—	38,059
Current income tax liabilities	1,560	371	—	—	1,931
Borrowings	15,556	52	—	—	15,608
Provisions for liabilities and charges	1,771	—	—	—	1,771
Total current liabilities	<u>55,811</u>	<u>1,558</u>	<u>—</u>	<u>—</u>	<u>57,369</u>
Total liabilities	<u>88,949</u>	<u>2,240</u>	<u>10,228</u>	<u>—</u>	<u>101,417</u>
Net assets	<u>28,498</u>	<u>1,421</u>	<u>—</u>	<u>(1,421)</u>	<u>28,498</u>
Equity					
Capital & reserves attributable to equity holders of the company					
Share capital	7,848	74	—	(74)	7,848
Share premium	45,047	—	—	—	45,047
Other reserves	1,409	—	—	—	1,409
Retained earnings	(27,583)	1,347	—	(1,347)	(27,583)
	<u>26,721</u>	<u>1,421</u>	<u>—</u>	<u>(1,421)</u>	<u>26,721</u>
Minority Interest	1,777	—	—	—	1,777
	<u>28,498</u>	<u>1,421</u>	<u>—</u>	<u>(1,421)</u>	<u>28,498</u>

Notes to the *pro forma* statement of combined net assets:

1. The amounts in respect of IFG Group plc have been extracted without material adjustment from the unaudited results for the six months ended 30 June, 2006.
2. The amounts in respect of Langtry Trust Company (Channel Islands) Limited have been extracted without material adjustment from the audited financial statements for the year ended 31 March, 2006 set out in Part 2 of this document and have been translated at the rate of €1 = Stg£0.6765, being the rate of exchange ruling at 23 November, 2006.
3. Adjustments have been made to reflect the following items using the exchange rate of €1=Stg£0.6765, being the rate ruling at 23 November, 2006:

- (a) The adjustment to investments represents the cost of the acquisition of Langtry Trust, representing initial consideration of €5,066,000, the discounted deferred consideration of €10,228,000 (in accordance with IFRS requirements) and expenses incurred representing corporate finance, accountancy and legal fees of €165,000 as below:

	€'000
Consideration	15,294
Expenses	165
	<hr/>
	15,459
	<hr/> <hr/>

- (b) The adjustments to cash at bank and in hand represent:

	€'000
Costs	165
Initial consideration	5,066
	<hr/>
	5,231
	<hr/> <hr/>

- (c) Provisions for liabilities and charges have been increased by €10,228,000 representing the maximum value of deferred consideration, which has been discounted and which may be payable pursuant to the Proposed Acquisition.

4. Consolidation adjustments include:

- (a) The adjustment to intangible assets represents the goodwill arising on the acquisition of Langtry Trust, representing initial consideration of €5,066,000 and the deferred consideration of €10,228,000, calculated as follows:

	€'000
Consideration	15,294
Expenses	165
Net assets acquired	(1,421)
	<hr/>
	14,038
	<hr/> <hr/>

- (b) Share capital of €73,909 and reserves of €1,347,311 on acquisition of Langtry Trust are eliminated on consolidation.

5. No account has been taken of the trading or transactions of IFG for the period since 30 June, 2006 or of Langtry Trust since 31 March, 2006.
6. Goodwill has been calculated as being the difference between the book value of assets and liabilities acquired and the maximum consideration payable of €15,294,000.

No account has been taken of the adjustments to be made, if any, to reflect the fair value at acquisition of assets and liabilities of Langtry Trust. It is the intention to complete a fair value exercise on the assets and liabilities prior to year ending 31 December, 2006 and any resulting adjustments will be made to the goodwill calculated. In addition, a separate valuation on the intangibles acquired as part of the acquisition will be undertaken and a reduction in goodwill with corresponding recognition of intangibles will occur if required.

LETTER FROM PRICEWATERHOUSECOOPERS, THE REPORTING ACCOUNTANTS

Set out below is the full text of a report to the Directors of IFG Group plc and the Directors of Davy, from PricewaterhouseCoopers, the Reporting Accountants, regarding the *pro forma* statement of combined net assets of the Enlarged IFG Group.

The Directors,
IFG Group plc
IFG House
Boosterstown Hall
Boosterstown
County Dublin

Davy
Davy House
49 Dawson Street
Dublin 2

29 November, 2006

Dear Sirs,

IFG GROUP PLC (“THE COMPANY”)

We report on the *pro forma* statement of combined net assets (“the Pro forma financial information”) of the Enlarged IFG Group set out in Part 4 of the Company’s Circular dated 29 November, 2006 to the shareholders of IFG Group plc. The Pro forma financial information has been prepared, for illustrative purposes only, to provide information about how the Proposed Acquisition of Langtry Trust Company (Channel Islands) Limited (“the proposed transaction”) might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December, 2005. This report is required by paragraph 7 of Annex II of the Prospectus Regulations and is given for the purpose of complying with that item of the EU Prospectus Regulations and for no other purpose.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the Pro forma financial information in accordance with paragraph 20.2 of Annex I of the Prospectus Regulations and Listing Rule 10.5.31 of the Listing Rules of the Irish Stock Exchange.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Regulations and the Listing Rules of the Irish Stock Exchange, on the Pro forma financial information as to the proper compilation of the Pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. The work that we performed for purpose of making this report, which involved no independent examination of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the Pro forma information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully,

PricewaterhouseCoopers
Chartered Accountants

PART 5 – ADDITIONAL INFORMATION

1. THE DIRECTORS OF IFG

The names of the Directors of the Company are as follows and save as otherwise indicated their business address is IFG House, Booterstown Hall, Booterstown, Co. Dublin, Ireland.

Patrick Joseph Moran (Non-Executive Chairman)
Mark George Bourke (Chief Executive)
Colm Barrington (Non-Executive Director)
Mark Alexander Bogard (Executive Director)
Declan Thomas Kenny (Executive Director)
Richard George Hayes (Non-Executive Director)
Donal Martin Lynch (Executive Director)
John Francis Lawrie (Non-Executive Director)
Frank Edmund Ryan (Executive Director)
John Anthony Rowan (Non-Executive Director)
Victor William Quigley (Executive Director)
Thomas Joseph Wacker (Non-Executive Director)

The business address of Mark Alexander Bogard is 1 Long Lane, London EC1A 9HA. The business address of Declan Thomas Kenny is International House, Castle Hill, Victoria Road, Douglas, Isle of Man.

2. RESPONSIBILITY FOR THE CIRCULAR

The Directors of IFG, whose names appear at paragraph 1 above, accept responsibility for the information in this document. To the best of the knowledge and belief of the Directors (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.

3. WORKING CAPITAL STATEMENT

The Company is of the opinion that, after taking account of the bank and other facilities (unsecured loan notes) available to the Company, the Enlarged IFG Group has sufficient working capital for its present requirements, that is, for at least the twelve months following the date of publication of this document.

4. INFORMATION ON THE GROUP

Incorporation and principal place of business

The Company was incorporated in Ireland on 29 November, 1963, under the Companies Acts 1908 to 1959, with registered number 21010. The Company was re-registered on 12 December, 1984 as a public limited company under the Companies (Amendment) Act 1983. The Company is registered and domiciled in Ireland and its registered office and principal place of business is located at IFG House, Booterstown Hall, Booterstown, Co Dublin (telephone number: +353 1 2752800). The Company operates under the Companies Acts 1963 to 2005. The shares of IFG are listed on the Irish Stock Exchange and the London Stock Exchange.

At an Extraordinary General Meeting of the Company held on 15 May, 1989 resolutions were passed, *inter alia*, approving the acquisition of the entire issued share capital of IFG Securities Limited, following which, on 11 October, 1989, the name of the Company was changed to IFG Group plc.

5. RELATED PARTY TRANSACTIONS

The following agreements constitute the related party transactions entered into by the Group and disclosed in the Company's annual report and accounts for the three financial periods ended 31 December, 2005 and up to the date of this document. The Group defines key management as being composed of the Executive Directors only.

(A) In the year ended 31 December, 2003

- (a) The aggregate compensation of Executive Directors was €2,394,000. The aggregate compensation of Non-Executive Directors was €110,000.
- (b) The Company charged fees of €6,000 to Rayband Limited, a company in which the Group has a 35% participating interest. This company is controlled by Patrick Joseph Moran, a director of IFG Group plc. At 31 December, 2003, Group companies were owed €1,111,000 by Rayband Limited. These advances are unsecured, interest free and have no fixed repayment date.
- (c) At 31 December, 2003, Group companies owed €107,000 to IFG Mayfield, a company in which the Group holds a 50% interest. These advances are unsecured, interest free and have no fixed repayment date.
- (d) Group companies were charged €191,000 by Rochford Brady Online Services Limited, a company in which the Group held a 25% interest (which was disposed of in 2006).
- (e) The Company charged Retirement Strategies Limited €172,000 in management charges, a company in which the group holds a 90% interest.

(B) In the year ended 31 December, 2004

- (a) The aggregate compensation of Executive Directors was €2,879,000. The aggregate compensation of Non-Executive Directors was €110,000.
- (b) The Company charged fees of €6,000 to Rayband Limited, a company in which the Group has a 35% participating interest. This company is controlled by Patrick Joseph Moran, a director of IFG Group plc. At 31 December, 2004, Group companies were owed €1,139,000 by Rayband Limited. These advances are unsecured, interest free and have no fixed repayment date.
- (c) At 31 December, 2004, Group companies owed €101,000 to IFG Mayfield Limited, a company in which the Group held a 50% interest. These advances are unsecured, interest free and have no fixed repayment date.
- (d) At 31 December, 2004, Group companies were owed €137,000 by FIRSL Resources Limited, a company in which the Group held a 25% interest. These advances are unsecured, interest free and have no fixed repayment date.
- (e) Group companies were charged €265,000 by RB Online, a company in which the Group held a 25% interest (which was disposed of in 2006).
- (f) The Group paid dividends of €606,000 to GE Capital Woodchester, a company which holds a 50% interest in the Group's mortgage subsidiaries.

(C) In the year ended 31 December, 2005

- (a) The aggregate compensation of Executive Directors was €3,466,000. The aggregate compensation of Non-Executive Directors was €155,000.
- (b) At 31 December, 2005, Group companies were owed €1,162,000 by Rayband Limited. These advances are unsecured, interest free and have no fixed repayment date. This company is controlled by Patrick Joseph Moran, a director of IFG Group plc.
- (c) At 31 December, 2005, Group companies owed €74,000 to IFG Mayfield Limited, a company in which the Group holds a 50% interest. These advances are unsecured, interest free and have no fixed repayment date.
- (d) At 31 December, 2005, Group companies were owed €53,000 by FIRSL Resources Limited ('FIRSL'), a company in which the Group held a 25% interest. The Company disposed of its interest in FIRSL on 31 December, 2005.
- (e) Group companies were charged €225,000 by Rochford Brady Online Services Limited, a company in which the Group holds a 25% interest.
- (f) The Group paid dividends of €1,123,000 to GE Capital Woodchester, a company which holds a 50% interest in the Group's mortgage subsidiaries.

(D) In the period from 1 January, 2006 to the date of this document

- (a) Group companies were owed €1.23 million by Rayband Limited. These advances are unsecured, interest free and have no fixed repayment date. This company is controlled by Patrick Joseph Moran, a Director of IFG Group plc.
- (b) The Group paid dividends of €484,000 to GE Capital Woodchester, a company which holds a 50% interest in the Group's mortgage subsidiaries.
- (c) Group companies owed €74,000 to IFG Mayfield Limited, a company in which the Group holds a 50% interest. These advances are unsecured, interest free and have no fixed repayment date.

(E) Mr PJ Moran is a Director and controlling shareholder of Rayband Limited ('Rayband'), a property development company in which IFG has a 35% participating interest. Mr Richard Hayes is also a director of Rayband. IFG has provided financial and other services to Rayband in regard to its property development and has provided total working capital finance of €1,231,000. At 29 November, 2006, the amount of €1,231,000 was outstanding and is unsecured, interest free and is payable upon disposal of the development property owned by Rayband. The discussions and decisions taken by IFG in relation to these transactions have been and will continue to be taken by the IFG Directors, excluding Mr PJ Moran.

(F) On 2 July, 1999, the Company charged its 35% shareholding in Rayband as security for a banking facility of €2,936,000 of which €2.936 million has been drawn down and utilised by the Group's investment division. In addition, the bank has entered into an Option Agreement with Estholme Limited ('Estholme'), the holder of the remaining 65% of the issued share capital of Rayband, whereby Estholme has agreed, upon enforcement by the bank, to purchase the Group's shareholding in Rayband for a purchase price which is the greater of €2,539,476 or the market value thereof as determined by independent valuers. Mr PJ Moran is a director and principal shareholder of Estholme and has undertaken to procure that Estholme complies with its obligations if called upon to do so, failing which he will perform those obligations.

(G) The total emoluments receivable by the current directors will not be varied as a consequence of the Proposed Acquisition. There are no arrangements under which any Director has waived or agreed to waive future emoluments and no such waivers occurred in the any of the financial years ended 31 December, 2003, 31 December, 2004 and 31 December, 2005.

6. SHARE CAPITAL

Authorised and Issued Share Capital

The table below sets out the present authorised and fully paid Issued Share Capital of the Company and as it will be immediately following the EGM and Completion of the Proposed Acquisition:

	<i>Present and Proposed</i>	
	<i>Authorised</i>	<i>Issued</i>
	<i>€'000</i>	<i>€'000</i>
Ordinary Shares of €0.12	10,222	8,239
	(85,187,210	(68,659,284
	Shares of €0.12)	Shares of €0.12)
"A" Ordinary Shares of €1.27 each	10	—
	(8,200 Shares)	(Nil)
Total	10,232	8,239

- (a) The Ordinary Shares are listed on the Official Lists of the Irish Stock Exchange and the London Stock Exchange. As of the date of this document the Company holds no Ordinary Shares as Treasury Shares.

- (b) Set out below are the movements in the issued share capital of the Company from 1 January, 2006 to the date of this document

	<i>Number of Ordinary Shares of €0.12 each</i>	<i>Nominal value €'000</i>	<i>Subscription price cent per share</i>
At 1 January, 2006	64,321,633	7,718	—
Share options exercised	202,000	24	126
Placing of Ordinary Shares on 23 November, 2006	3,224,425	387	192
Sale of Treasury Shares on 23 November, 2006	911,226	109	192
	<u>68,659,284</u>	<u>8,239</u>	<u>—</u>

7. MAJOR SHAREHOLDERS

As of the date of this document, in so far as the Company is aware, the following are the holdings, other than those of Directors, who were directly or indirectly interested in 3% or more of the Issued Share Capital:

	<i>Number Of shares</i>	<i>% of issued Share Capital</i>
Fidelity Investments	6,358,263	9.26
Nordea Bank Danmark AS	5,512,594	8.03
One Fifty One Limited	2,625,000	3.82
Dresdner Kleinwort Securities Nominees	2,619,846	3.81
Liberty Square Asset Management	2,322,070	3.38

None of the holders of Ordinary Shares listed in Section 7 above has, in respect of its holding of Ordinary Shares, voting rights different from the other holders of Ordinary Shares.

8. DIRECTORS' AND OTHER INTERESTS

As at the close of business on 28 November, 2006 (the latest practicable date prior to the publication of this document) the interests (all of which are beneficial) of the Directors in the Issued Share Capital which have been notified by each Director to the Company pursuant to Sections 53 or 64 of the Companies Act 1990, or which are required pursuant to Section 59 of the Companies Act 1990, to be entered into the register referred to therein, or which would, if the connected person were a Director, be required to be disclosed under the aforementioned provisions, and the existence of which is known to or could be with reasonable diligence be ascertained by that Director, were as set out below.

	<i>No of Ordinary Shares Fully Paid</i>	<i>% of Issued Share Capital</i>
Patrick Joseph Moran	5,237,628	7.63
Colm Barrington	500,000	0.73
Mark Bogard	10,101	0.01
Mark Bourke	535,289	0.78
Richard George Hayes	5,181,704	7.55
Declan Kenny	539,942	0.79
John Lawrie	10,000	0.01
Donal Martin Lynch (also Company Secretary)	147,130	0.21
Frank Edmund Ryan	406,069	0.59
John Anthony Rowan	—	—
Victor William Quigley	871,915	1.27
Thomas Joseph Wacker	304,717	0.44

There are no non-beneficial interests held by the Directors.

The Company operates a number of Share Option Schemes for Directors and employees of the Group. The options granted to Directors under such schemes as at the close of business on 28 November, 2006 (the latest practicable date prior to the publication of this document) are set out below with the dates granted and prices of the shares under option are as follows:

<i>VW</i>					<i>MG</i>	<i>MA</i>		<i>Exercise</i>	
<i>Quigley</i>	<i>DM Lynch</i>	<i>RG Hayes</i>	<i>FE Ryan</i>	<i>DT Kenny</i>	<i>Bourke</i>	<i>Bogard</i>	<i>Date Granted</i>	<i>price</i>	<i>Expiry date</i>
—	—	—	—	—	—	250,000	16.04.2005	€0.99	15.04.2015
25,000	25,000	25,000	—	—	25,000	—	13.07.2004	€1.02	12.07.2014
—	—	—	20,000	50,000	—	—	16.04.2004	€1.14	15.04.2014
—	—	—	—	—	250,000	—	06.09.2000	€1.70	05.09.2010
50,000	250,000	350,000	—	—	—	—	04.07.2000	€1.40	03.07.2010
—	—	—	100,000	25,000	—	—	11.05.2000	€1.14	10.05.2010
—	—	—	—	25,000	—	—	24.05.1999	€0.7745	23.05.2009
<u>75,000</u>	<u>275,000</u>	<u>375,000</u>	<u>120,000</u>	<u>100,000</u>	<u>275,000</u>	<u>250,000</u>			

Consideration for the grant of each of the options was €1 and was paid by each director at the time of granting of options to him.

9. DIRECTORS' REMUNERATION AND SERVICE CONTRACTS

The following are the principal terms of the service contracts which have been entered into with Directors:

- (i) Mr Mark Bogard has a service agreement entered into with IFG Financial Services Limited, a wholly owned subsidiary of IFG, and IFG Group plc, which commenced on 1 October, 2004 and which shall continue until terminated by either party giving to the other one year's notice in writing expiring on or after that date or upon the employee's sixty fifth birthday. Mr Bogard's current annual salary is Stg£200,000. He is entitled to participate in an executive incentive scheme, as described in the said agreement, pursuant to which he may receive an annual cash bonus. He is also entitled to participate in the Company's Long Term Incentive Plan 2006 under which he may receive an annual bonus, as described in the LTIP Agreement, of new ordinary shares. The company funds the cost of private medical insurance and discharges the premiums in respect of life assurance cover up to a maximum of four times annual salary. The company also discharges the premiums in of permanent health insurance and makes an annual pension contribution of 20% of Mr Bogard's salary to a designated pension scheme on his behalf.
- (ii) Mr Declan Kenny has a service agreement entered into with IFG Management Limited, a wholly owned subsidiary of IFG, which commenced on 30 June, 1996 and which shall continue until terminated by either party giving to the other one year's notice in writing expiring on or after that date or upon the employee's sixty fifth birthday. Mr Kenny's current annual salary is Stg£200,000. He is entitled to participate in an executive incentive scheme, as described in the said agreement, pursuant to which he may receive an annual cash bonus. He is also entitled to participate in the Company's Long Term Incentive Plan 2006 under which he may receive an annual bonus, as described in the LTIP Agreement, of new ordinary shares. The company funds the cost of private medical insurance and discharges the premiums in respect of life assurance cover up to a maximum of four times annual salary. The company also discharges the premiums in of permanent health insurance and makes annual pension contributions on behalf of Mr Kenny to a defined benefit pension scheme operated by IFG Management Limited on behalf of eligible employees.
- (iii) Mr Frank Ryan has a service agreement entered into with IFG Investment and Mortgage Services Limited, a wholly owned subsidiary of IFG, which commenced on 27 February, 2004 and which shall continue until terminated by either party giving to the other one year's notice in writing expiring on or after that date or upon the employee's sixty fifth birthday. Mr Ryan's current annual salary is €105,000. He is entitled to participate in an executive incentive scheme, as described in the said agreement, pursuant to which he may receive an annual cash bonus. He is also entitled to participate in the Company's Long Term Incentive Plan 2006 under which he may receive an annual bonus, as described in the LTIP Agreement, of new ordinary shares. The company funds the cost of private medical insurance and discharges the premiums in respect of

life assurance cover up to a maximum of four times annual salary. The company also discharges the premiums in of permanent health insurance and makes an annual pension contribution of 20% of Mr Ryan's salary to a designated pension scheme on his behalf.

- (iv) Mr PJ Moran is a Director and controlling shareholder of Rayband Limited ('Rayband'), a property development company in which IFG has a 35% participating interest. Mr Richard Hayes is also a director of Rayband. IFG has provided financial and other services to Rayband in regard to its property development and has provided total working capital finance of €1,162,000. At 31 December, 2005, the amount of €1,162,000 was outstanding and is unsecured, interest free and is payable upon disposal of the development property owned by Rayband. The discussions and decisions taken by IFG in relation to these transactions have been and will continue to be taken by the IFG Directors, excluding Mr PJ Moran.
- (v) On 2 July, 1999, the Company charged its 35% shareholding in Rayband as security for a banking facility of €3,809,214 of which €3 million has been drawn down and utilised by the Group's investment division. In addition, the bank has entered into an Option Agreement with Estholme Limited ("Estholme"), the holder of the remaining 65% of the issued share capital of Rayband, whereby Estholme has agreed, upon enforcement by the bank, to purchase the Group's shareholding in Rayband for a purchase price which is the greater of €2,539,476 or the market value thereof as determined by independent valuers. Mr PJ Moran is a director and principal shareholder of Estholme and has undertaken to procure that Estholme complies with its obligations if called upon to do so, failing which he will perform those obligations.

10. MATERIAL CONTRACTS

- (i) The following contracts which are or may be material have been entered into by IFG Group, other than in the ordinary course of business, within the period of two years immediately preceding the date of this document or are contracts, other than in the ordinary course of business, entered into by any member of the Group which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:
 - (a) Agreement dated 21 December, 2004 between IFG of the first part and SWP Holdings Limited ("SWP") of the second part pursuant to which SWP acquired 75% of the issued share capital of FIRSL Resources Limited for total consideration of €31,994, paid in cash on completion.
 - (b) Agreement dated 30 April, 2005 between IFG Holdings (IOM) Limited, a wholly owned subsidiary of IFG, of the first part and Oonagh Hayes, Andrew Ryan and Peathaven Limited of the second part pursuant to which IFG Holdings (IOM) Limited acquired the entire issued share capital of Mularon Limited for a maximum cash consideration of €629,569 as to (i) initial consideration paid on completion of €502,569 and (ii) additional consideration of €127,000 calculated as to an amount equivalent to the excess of net assets over €340,000.
 - (c) Agreement dated 11 May, 2005 made between IFG, IFG Investment and Mortgage Services Limited, IFG Mortgage and Assurance Services Limited, (both wholly owned subsidiaries of IFG and together 'IFG Mortgages'), GE Capital Woodchester ('GE Capital Woodchester') and GE Capital Woodchester Homeloans Limited whereby it was agreed to amend certain of the terms of the Share Purchase Agreement dated 27 February, 2004 between IFG and GE Capital Woodchester. The Target Periods under the Share Purchase Agreement for the purposes of the Earnout Consideration Payment Provisions were each postponed by twelve months. The conditional and deferred consideration set out above is subject to the achievement by IFG Mortgages of certain profits before tax and new specialist mortgage volume targets between completion and 31 December, 2009.
 - (d) Agreement dated 23 December, 2005 between The Governor & Company of the Bank of Scotland of the first part, Bank of Scotland International Limited of the second part and IFG Trust (Jersey) Limited of the third part pursuant to which IFG Trust (Jersey) Limited acquired the entire issued share capital of Bank of Scotland Trust Company (International) Limited. The total maximum consideration was Stg£6,800,000 (€10,156,465) of which Stg£6,591,623 (€9,708,554) was satisfied in cash on completion, and the balance was to be

satisfied in cash upon the completion of audited accounts for the year ending 23 December, 2005, calculated as an amount equivalent to the profits before tax for the period 1 December, 2005 to 22 December, 2005.

- (e) Agreement dated 27 January, 2006 between IFG of the first part and Kioko Investment Limited of the second part pursuant to which Kioko Investment Limited acquired the remaining 25% interest owned by IFG in the issued share capital of FIRSL Resources Limited. The total consideration was €150,000 of which €10,000 was satisfied in cash on completion, and the balance by the issue of a Loan Note for €140,000 payable on demand and bearing a coupon of 6% per annum.
- (f) Agreement dated 27 January, 2006 between IFG Group plc of the first part, IFG Holdings Limited of the second part (together "IFG") and Mistview Holdings Limited of the third part pursuant to which Mistview Holdings Limited acquired IFG's remaining interests in the issued share capital of Company Information Direct Limited, Rochford Brady Online Services Limited, Lawlink Limited and Lawlink UK Limited for a total consideration of €960,000, satisfied in cash on completion.
- (g) Placing Agreement dated 23 November, 2006 between the Company and Davy pursuant to which Davy agreed to use its reasonable endeavours as agent for the Company to procure subscribers for 4,135,651 Ordinary Shares, including 911,226 Treasury Shares, and subject to the terms and conditions set out therein. The obligations of Davy are conditional upon satisfaction of each of the following conditions by the date specified by them for satisfaction or such later date as Davy may agree, not being later than 4 December, 2006: (a) the delivery to Davy of certain documentation specified by the times and dates specified therein; (b) Davy not having exercised its right to terminate the agreement as a result of a breach of warranty by the Company prior to Admission; and (c) the announcement of execution of the Acquisition Agreement. If any of the conditions are not satisfied before the dates referred to above, all obligations of Davy under the agreement cease but the Company shall remain liable to pay all costs and expenses incurred by Davy. None of the conditions are inter-conditional.

The Company agreed to pay to Davy a commission equal to 4% of the aggregate value of the Ordinary Shares subscribed for at the Placing Price. The Company is also obliged to discharge all costs and expenses of the Placing.

The Company warrants certain matters to Davy being specifically: statements regarding (i) its corporate power to perform its obligations under the agreement; (ii) the Company not being obliged to issue any other shares or securities other than under its Share Option Schemes; (iii) no event of default having occurred (or being likely to occur) in respect of the contractual arrangements of any member of the Group which would have a material adverse effect on the business, financial position or prospects of the Group as a whole; and (iv) litigation.

Davy may terminate the agreement in the following circumstances (a) there shall occur any material breach of the Company's Warranties; (b) there shall occur any material breach of any of the material obligations under this Agreement imposed upon any party other than Davy; (c) there shall occur any act or omission (otherwise than in the ordinary course of the Group's business) whereby any of the Company's Warranties would not be true in all material respects if repeated at completion, then and in any such case Davy may, by giving notice to the Company on or prior to completion rescind this Agreement, without incurring any liability to the other parties or any of them and this Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims against any other party by reason thereof.

If Completion has not occurred by 8.00 a.m. on 4 December, 2006, the Agreement will cease to have any force or effect and none of the parties shall have any rights or claims against any other party by reason thereof.

- (h) Contract conditional, *inter alia*, on the Resolution being passed and the consent of the Jersey Financial Service Commission being received:

-
- (i) Share Purchase Agreement dated 24 November, 2006 between IFG Trust (Jersey) Limited (the “Purchaser”), Lillie Management Services Limited (the “Vendor”) and Michael Weston and Mark Pesco pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the entire issued share capital of Langtry Trust Company (Channel Islands) Limited, subject to the pre-conditions therein for an initial consideration comprising a cash payment upon completion of Stg£3,426,953, and future consideration comprising the second consideration and the third consideration of up to Stg£7,442,375 to be calculated in accordance with the terms of the agreement as set out below:
 - (a) the initial consideration for the Proposed Acquisition will be Stg£3,426,953, payable in cash on Completion.
 - (ii) Further deferred consideration for the Proposed Acquisition will also be payable to the Vendor calculated as follows:
 - (a) an amount equal to 80% of the turnover of Langtry Trust for the year ending 30 September, 2007 (the “second consideration”); and
 - (b) an amount equal to 80% of the turnover of Langtry for the year ending 30 September, 2008 (the “third consideration”);
 - (c) the aggregate of the initial consideration, the second consideration and the third consideration shall not exceed Stg£10,869,328.
 - (iii) Completion is expected to take place immediately after the passing of the Resolution at the EGM.

The Acquisition Agreement contains certain warranties and indemnities which are typical for a transaction of this nature in favour of IFG in relation to, *inter alia*, the accounts of Langtry Trust for the year ended 31 March, 2006, its general financial position, contracts, employees and regulatory compliance.

- (ii) Langtry Trust has not entered into any material contracts outside the ordinary course of business in the two years preceding the date of this document.

11. LITIGATION

- (a) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have or have had in the recent past being the 12 months preceding the date of this document, a significant effect on the Group’s financial position or profitability.
- (b) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Langtry Trust is aware) which may have or have had in the recent past (being the 12 months preceding the date of this document), a significant effect on Langtry Trust’s financial position or profitability.

12. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of IFG Group since 30 June, 2006, being the end of the last period for which financial information has been published.

There has been no significant change in the financial or trading position of Langtry Trust since 31 March, 2006, the date to which the Company’s most recently published audited accounts have been prepared.

13. CONSENTS

PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, has given and has not withdrawn its written consent to the issue of this document with inclusion herein of its name, its accountants report on Langtry Trust Company (Channel Islands) Limited and its report on the *pro forma* financial information in this document and references thereto in the form and context in which they are included for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 and has authorised the contents of those parts of this document which comprise its reports for the purposes of paragraph 2(2)(f) of Schedule 1 of the Commission Regulation (EC) No 809/2004 (“EU Prospectus Regulations”).

14. GENERAL

- (a) The audited consolidated financial statements and annual accounts of the Company as at and for the years ended 31 December, 2003, 31 December, 2004 and 31 December, 2005, upon which unqualified reports have been given, have been audited by PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, Georges Quay, Dublin 2, Ireland. PricewaterhouseCoopers are registered to carry out audit work by the Institute of Chartered Accountants in Ireland. The financial information relating to the Group and its subsidiary undertakings contained in this document does not constitute full accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. However, full accounts of the Company relating to each financial period to which the financial information relates, all of which have received unqualified audit reports, have been filed with the Registrar of Companies in Ireland. The unaudited *pro forma* financial information set out in Part 4 of this document has been reviewed by the auditors. Save as disclosed in this section 14 of this Part 5, no other information has been the subject of an audit or review by the auditors.
- (b) Davy is authorised to conduct investment business by the Irish Financial Regulator, and is a member of the Irish Stock Exchange and a member of the London Stock Exchange. The registered and head office of Davy is Davy House, 49 Dawson Street, Dublin 2, Ireland.

15. DOCUMENTS ON DISPLAY

Copies of the documents referred to below will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office at IFG House, Booterstown Hall, Booterstown, Co Dublin, and at the offices of O'Donnell Sweeney Solicitors, The Earlsfort Centre, Earlsfort Terrace, Dublin 2 and Wedlake Bell Solicitors, 52 Bedford Row, London WC1R 4LR from the date of this document up to and including 18 December, 2006:

- (a) the Memorandum and Articles of Association of IFG;
- (b) the audited consolidated financial statements of IFG Group plc for the three years ended 31 December, 2005, 2004 and 2003 and the Preliminary Announcement of the results for six months ended 30 June, 2006;
- (c) the audited accounts of Langtry Trust for the financial years ended 31 March, 2006, 31 March, 2005 and 31 March, 2004;
- (d) the report on the IFRS Financial Statements of Langtry Trust by PricewaterhouseCoopers contained in Part 2 of this document;
- (e) the report on the *pro forma* financial information by PricewaterhouseCoopers contained in Part 4 of this document;
- (f) the written consent of PricewaterhouseCoopers referred to in section 14 of this Part 5; and
- (g) the material contracts as described in paragraph 10 of Part 5 of this document;
- (h) this document.

Date 29 November, 2006

IFG GROUP PLC

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of IFG Group plc will be held at Jurys Hotel, Ballsbridge, Dublin 4 on 18 December, 2006 at 11.00 a.m. for the purpose of considering, and if thought fit, passing the following as an Ordinary Resolution

1. “**That** the Acquisition Agreement for the purchase of the entire issued share capital of Langtry Trust Company (Channel Islands) Limited as described in the document to shareholders dated 29 November, 2006 accompanying the notice of this meeting with such modifications (not being of a material nature), if any, as the Directors of the Company may consider appropriate be and is hereby approved and the Directors be and are hereby authorised to do all acts and things and make all agreements as they consider appropriate to carry such agreement into effect.”

By Order of the Board

D. M. LYNCH
Secretary

IFG House,
Booterstown Hall,
Booterstown,
Co. Dublin.

29 November, 2006

Note:

A member entitled to attend and vote at the above meeting may appoint a proxy to attend, speak and, on a poll, vote on his or her behalf. A form of proxy accompanies this Notice. A proxy need not be a member of the Company. Forms of proxy to be valid, must be lodged with the Company's Registrars, Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not less than 48 hours before the time appointed for the Meeting. Completing and returning a form of proxy will not preclude a member from attending and voting at the meeting should he/she so wish.

DEFINITIONS

“Acquisition Agreement”	means the agreement for the acquisition of the entire issued share capital of Langtry Trust Company (Channel Islands) Limited, more fully described on pages 39 and 40;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Completion”	completion of the Proposed Acquisition, as defined in the Acquisition Agreement;
“Davy”	J&E Davy, trading as Davy;
“Davy Corporate Finance”	Davy Corporate Finance Limited;
“Directors” or “the Board”	the directors of IFG Group plc;
“this document”	the document dated 29 November, 2006, comprising a class one circular for the purposes of the listing rules of the Irish Stock Exchange;
“EGM”	the Extraordinary General Meeting of the Company to be held on 18 December, 2006 notice of which is set out on page 42 of this document;
“Enlarged IFG Group”	the IFG Group after Completion;
“Financial Regulator”	the Irish Financial Services Regulatory Authority;
“Group”	IFG Group plc, its subsidiaries and its subsidiary undertakings, except in Part 2 of this document where ‘Group’ refers to Langtry Trust;
“IAS”	International Accounting Standard;
“IFG” or “the Company”	IFG Group plc;
“the IFG Group”	IFG Group plc and its subsidiary companies;
“IFRS”	International Financial Reporting Standards mandated by European Parliament and Council Regulation 1606/2002;
“Irish Stock Exchange”	The Irish Stock Exchange Limited;
“Issued Share Capital”	the 68,659,284 issued Ordinary Shares;
“Langtry Trust”	Langtry Trust Company (Channel Islands) Limited, a company incorporated in the Bailiwick of Jersey, Channel Islands, with registered no 13883;
“Listing Rules”	the listing rules of the Irish Stock Exchange and/or where appropriate the listing rules of the UK Listing Authority;
“London Stock Exchange”	The London Stock Exchange plc;
“Market Abuse Rules”	the Market Abuse Rules of the Financial Regulator issued under section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005;
“Official Lists”	the Official List of the Irish Stock Exchange and the Official List of the UK Listing Authority;
“Ordinary Shares”	existing fully paid ordinary shares of €0.12 each in the share capital of IFG;
“Proposed Acquisition”	the proposed acquisition by the Purchaser of the entire issued share capital of Langtry Trust Company (Channel Islands) Limited in accordance with the terms of the Acquisition Agreement;
“Purchaser”	IFG Trust (Jersey) Limited, a subsidiary of IFG Group plc;
“Resolution”	the resolution to be proposed at the EGM;
“Shareholders”	holders of Ordinary Shares;
“Stg£” or “Stg”	sterling pounds and sterling pence, the lawful currency of the UK;

“subsidiary undertakings”	shall have the meaning given by the European Communities (Companies: Group Accounts) Regulations 1992;
“Treasury Shares”	Ordinary Shares which have been repurchased by the Company pursuant to the authorities granted by shareholders in accordance with the Companies Act 1990;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000;
“Vendor”	the vendor of Langtry Trust Company (Channel Islands) Limited namely Lillie Management Services Limited; and
“€”	the lawful currency of Ireland pursuant to the provisions of the Economic & Monetary Union Act 1998.

The use of masculine gender in this document shall include the feminine gender.

The relevant exchange rate between the currencies used in this document unless otherwise expressly stated is €1.00 = Stg£0.6765.

IFG GROUP PLC

FORM OF PROXY

EXTRAORDINARY GENERAL MEETING

Please insert full name(s) and address(es) in BLOCK CAPITALS:

I/We, the undersigned, being a member(s) of the above named Company, hereby appoint the Chairman of the Meeting or *

.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on 18 December, 2006 and at any adjournment thereof.

Please indicate with an "x" in the appropriate box how you wish your votes to be cast

	<i>For</i>	<i>Against</i>
ORDINARY RESOLUTION TO APPROVE AND IMPLEMENT THE PROPOSED ACQUISITION OF LANGTRY TRUST COMPANY (CHANNEL ISLANDS) LIMITED	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Date.....

Name in Full

(BLOCK LETTERS)

Address

.....

* If you wish to appoint any other person then delete "the Chairman of the meeting" and insert the name and address of the person you wish to appoint. A proxy need not be a member of the Company.

Notes:

1. The instrument of proxy, to be valid, must be delivered to the Company's Registrars, Computershare Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 48 hours before the time appointed for the holding of the Meeting.
2. In the case of joint holders the vote of the senior of the joint holders who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register.
3. Completing and returning a Form of Proxy shall not preclude a member from attending and voting at the meeting should he so wish.
4. Where the appointer is a body corporate, this form must be either under its common seal or under the hand of an officer or attorney, duly authorised in writing.
5. If this form is returned without an indication as to how the proxy shall vote, the proxy will exercise his discretion as to whether he votes and if so how.



SECOND FOLD

Postage
will be
paid by
Licensee

No Postage
Stamp
necessary if
posted in
Republic of
Ireland

BUSINESS REPLY SERVICE
Licence No. DN4918

Computershare Investor Services (Ireland) Limited
Heron House,
Corrig Road,
Sandyford Industrial Estate,
Dublin 18

THIRD FOLD AND TUCK IN

FIRST FOLD