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Application will be made for the whole of the ordinary share capital of Downtex Plc in issue and to be issued pursuant to the Offer to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. Further, the London Stock Exchange has not itself approved the contents of this document.

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Downtex Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2441375)

**Offer for Subscription of up to 4,000,000 ordinary shares
of 2p each at 25p per share, payable in full on application**

Admission to the Alternative Investment Market

**Nominated Adviser
Grant Thornton**

**Nominated Broker
Cheviot Capital Limited**

Share capital immediately following the Offer*

Authorised			Issued and fully paid	
Number	£		Number	£
25,000,000	500,000	ordinary shares of 2p each	14,000,000	280,000

*assuming full subscription

The New Ordinary Shares now being issued will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares and will rank from such time in full for all dividends and other distributions hereafter declared, paid or made in respect of the Ordinary Share capital of the Company.

At the close of business on 31 May 1998, the Company had outstanding borrowings or indebtedness in the nature of borrowings of £1,134,108, comprising secured bank borrowings of £1,061,950, and unsecured loans of £72,158. At the same date the Company had contingent liabilities of £20,000.

Save as disclosed above, the Company did not have at the close of business on 31 May 1998, any loan capital (including term loans), outstanding or created but unissued or any outstanding mortgages, charges or any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, obligations under finance leases or guarantees or other contingent liabilities.

At the close of business on 31 May 1998 the Company had cash balances of £53,189.



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COMPANIES HOUSE 03/07/98