

Update to Investors 3 December 2009

I would like to provide an update to investors on recent developments and the current position of the administration.

Re-instatement of the Company's operating processes

As you are aware certain processes were temporarily suspended at the time of my appointment, whilst we complied with certain Financial Services Authority (FSA) rules governing the client monies. These processes include, but are not limited to, the return of monies currently in the client accounts in respect of maturities and investment cancellations, the payment of income (applicable in some cases), the investment of funds and the encashment or surrender of investments.

As you will recall from our previous update we had applied to the FSA to seek a waiver in relation to certain FSA rules in order to facilitate the re-instatement of the above processes and the return of client monies, which had been caught up in the Primary Pooling Event.

I am pleased to confirm that the FSA has now granted the aforementioned waiver and, together with Outsourced Professional Administration Limited (OPAL), the above processes are now operational.

Return of monies in respect of maturities, cancellations and plans which did not proceed following my appointment

If your investment recently matured, you cancelled a planned investment or you had invested in the Defined Income Plan August 2009 which, following my appointment, did not progress and are awaiting monies to be returned to you, monies should now be returned within the next few days.

ISA wrapped monies

If you had transferred funds from an alternative ISA investment into an NDF Administration product which either did not progress or where you subsequently cancelled your intended investment I am keen to ensure that the ISA status of the investment remains intact. To achieve this I will return all ISA monies to the original ISA investment. Alternatively, if you wish to encash your investment or provide details of an alternate ISA investment, please write to the following address by 16 December 2009.

NDF Administration Limited- In Administration
Administration Centre
PO Box 1007
St Albans
AL1 3AW

Please note that the encashment of such investments may result in the investment losing its ISA status. You should seek independent financial advice prior to requesting encashment of your investment.

Long-term plan management

I am currently in discussions with alternative plan managers in order to secure the administration of the products up to their respective maturities. Discussions are progressing well and I remain confident that an alternative plan manager will be secured.

Letter to investors

The second letter to investors is currently with my mailing team and I hope you will be in receipt of this by 8 December 2009. However, copies of these letters are available to download below.