

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, please seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or transferred all your Shares in Gartmore European Investment Trust p.l.c., please send this document, together with the accompanying Tender Form and Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Excluded Jurisdiction.

In the preparation of this document and in relation to the matters described herein, Winterflood Securities, which is authorised and regulated by the Financial Services Authority, is acting for Gartmore European Investment Trust p.l.c. and no one else and will not be responsible to any other person for providing the protections afforded to its customers or for providing advice in relation to such matters or any other matter referred to herein.

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# **Gartmore European Investment Trust p.l.c.**

## **Tender Offer and Reduction of Capital**

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Notice of an Extraordinary General Meeting of Gartmore European Investment Trust p.l.c. to be held at Gartmore House, 8 Fenchurch Place, London EC3M 4PB at 11.00 a.m. on 27 April 2007 is set out at the end of this document. The accompanying Form of Proxy for use by Shareholders at this meeting should be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZR as soon as possible and in any event no later than 11.00 a.m. on 25 April 2007.

Scheme Participants should complete and return the enclosed Voting Direction Form to Gartmore Investment Limited, P.O. Box 9032, Chelmsford, CM99 2WP so as to be received as soon as possible and in any event no later than 5.00 p.m. on 18 April 2007.

Enclosed with this document is a Tender Form for use by Shareholders in connection with the Tender Offer or a Scheme Tender Form for use by Scheme Participants. To be effective, such forms must be returned as indicated on the forms so as to be received as soon as possible and in any event no later than 5.00 p.m. on 18 April 2007 (in the case of Scheme Participants) and no later than 11.00 a.m. on 25 April 2007 (in the case of Shareholders).

The Tender Offer is not being made, directly or indirectly, in or into, an Excluded Jurisdiction, details of which are given in paragraph 10 of Part IV of this document.

**Your attention is drawn to the section on Risk Factors on page 3 of this document. Shareholders and Scheme Participants considering whether to tender their Shares in the Tender Offer should read the whole of this document.**

**IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES, DO NOT COMPLETE AND RETURN A TENDER FORM OR A SCHEME TENDER FORM.**

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## EXPECTED TIMETABLE

**2007**

Record Date for Tender Offer	5.00 p.m. on 14 March
Latest time and date for receipt of Voting Direction Forms from Scheme Participants for the Extraordinary General Meeting	5.00 p.m. on 18 April
Latest time and date for receipt of Scheme Tender Forms from Scheme Participants	5.00 p.m. on 18 April
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	11.00 a.m. on 25 April
Latest time and date for receipt of Tender Forms from Shareholders	11.00 a.m. on 25 April
Calculation Date for Realisation Net Asset Value	close of business on 26 April
Extraordinary General Meeting	11.00 a.m. on 27 April
Creation of Repurchase Pool	close of business on 27 April
Repurchase Price announced	by close of business on 9 May
Settlement of proceeds through CREST for the Tender Offer and despatch of cheques to Shareholders in respect of the Tender Offer, as appropriate	by 15 May
Despatch of cheques to Scheme Participants in respect of the Tender Offer	by 22 May

**All references to time in this document are to London time.**

## **PART I**

### **RISK FACTORS**

In considering the Tender Offer and the Reduction of Capital set out in this document, Shareholders should have regard to the following risk factors. Shareholders considering whether to tender their Shares should read this document carefully.

The issued share capital of the Company will be reduced as a result of the Tender Offer and the Company will be smaller. As a result, the fixed costs of the Company will be spread over fewer Shares.

The Repurchase Price will be dependent on the realisation of the asset pool created to meet the number of Shares tendered under the Tender Offer and on the price at which the assets comprising the Repurchase Pool are realised. There can be no assurance as to the value that it is possible to realise from such assets and the Repurchase Price is likely to differ from the illustrative figures provided in this document.

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Investors should have regard to the information in relation to taxation set out in Part V of this document.

Shareholders should be aware that past performance is not necessarily indicative of likely future performance. The price and/or Net Asset Value of the Shares and the dividend payable on them may go down as well as up.

As with all investment trust shares, the market price of the Shares may not reflect their underlying Net Asset Value and the discount (or premium) to Net Asset Value at which Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general sentiment.

The assets of the Company are subject to normal stock market fluctuations and other risks inherent in investing in securities. There can be no guarantee that any appreciation in the value of these assets will occur or that the investment objective of the Company will be achieved.

The Company may borrow funds for the purpose of purchasing securities. This may provide an opportunity for greater capital appreciation, but, at the same time, it increases the Company's exposure to capital risk and higher current expenses.

The ability of the Company to pay dividends and to use its buy-back authorities going forward will depend on the availability of distributable reserves.

The loss of key personnel at the Company's main service providers could have an adverse effect on performance.

## PART II

### LETTER FROM THE CHAIRMAN

#### **Gartmore European Investment Trust p.l.c.**

*(Incorporated in England & Wales under the Companies Act 1985 with registered number 427958)*

*Directors: all of whom are non-executive*

Rodney Dennis (*Chairman*)  
Jean Claude Banon  
Alexander Comba  
Michael Firth  
Dr Manfred Piehl

*Registered Office:*

Gartmore House  
8 Fenchurch Place  
London  
EC3M 4PB

3 April 2007

*To Shareholders and Scheme Participants*

Dear Shareholder,

### TENDER OFFER AND REDUCTION OF CAPITAL

#### **Introduction**

On 9 March 2007, the Company announced a proposed tender offer and changes to its share buy-back policy. This document sets out the background to and details of the Tender Offer and convenes an Extraordinary General Meeting of the Company to be held on 27 April 2007. This letter is not a recommendation to Shareholders to tender their Shares.

The Tender Offer is available to Shareholders (other than certain Overseas Persons) on the register as at close of business on the Record Date, which is 14 March 2007.

This document also contains details of a proposed reduction of capital in order to ensure that the Company has sufficient distributable reserves to continue to implement its Share buy-back and discount management policies.

#### **Background to the Tender Offer**

At the reconvened Annual General Meeting of the Company held on 28 February 2007, all of the resolutions proposed were passed and therefore all of the Directors were re-elected and the Company's share buy-back powers were renewed.

Following the meeting, the Board released an announcement setting out the results of the meeting and the Board's intention to make a tender offer to enable Shareholders to realise some or in certain circumstances all of their investment in the Company.

#### **Tender Offer**

The Directors propose the Tender Offer to be made for up to 22,924,960 Shares, representing 40 per cent. of the Company's issued share capital as at the Record Date, to enable those Shareholders who wish to realise the value of their holding of Shares in the Company to do so at a price which is close to their net asset value, while ensuring that ongoing Shareholders, who do not wish to tender their Shares, are not disadvantaged.

Under the Tender Offer, Shareholders (other than certain Overseas Persons) will be able to tender up to 40 per cent. of their holdings as at the Record Date ("Basic Entitlement"). Such Shareholders will be able to tender additional Shares, but such tenders will only be satisfied to the extent that other Shareholders tender less than their Basic Entitlement.

The Tender Offer is being made at a price per Share that represents a discount of 2 per cent. to the Net Asset Value per Share on the Calculation Date, being the Realisation NAV per Share, and after deduction of the costs of realising investments in the portfolio to finance the consideration for the purchase of Shares under the Tender Offer. Further details of the calculation of the Repurchase Price are set out in paragraph 3 of Part IV. The Realisation NAV per Share will take accrued net income into account. It is not expected that the purchasing of Shares under the Tender Offer will give rise to any significant asset uplift for Shareholders who continue with their investment in the Company, nor that it will result in any dilution to Net Asset Value per Share.

For illustrative purposes only and assuming the resolution to approve the Tender Offer is passed by Shareholders, had the Repurchase Price been calculated as at 30 March 2007 (the latest practicable date before publication of this document), the Repurchase Price would have been approximately 603.38 pence per Share (excluding any costs for realising stocks in the portfolio, which are currently expected to be de-minimis).

The Tender Offer is being made by Winterflood Securities. Winterflood Securities will, as principal, purchase the Shares tendered at the Repurchase Price by means of on-market purchases and, immediately upon the completion of those purchases, sell them to the Company at the Repurchase Price. All Shares acquired by the Company under the Tender Offer will be cancelled. The repurchase of Shares by the Company will be funded by the sale of investments in the Company's portfolio and from the Company's cash resources transferred to the Repurchase Pool, as described more fully in paragraph 3 of Part IV of this document.

The Tender Offer is subject to the approval of Shareholders by special resolution and is conditional upon Winterflood Securities being satisfied that the Company has sufficient funds available to meet its obligations under the Repurchase Agreement and upon the Company having paid such funds into an account or accounts, as set out in paragraph 2 of Part IV of this document. The special resolution authorises the Company to purchase a maximum of 22,924,960 Shares pursuant to the Tender Offer, representing 40 per cent. of the issued share capital of the Company as at the Record Date. The Tender Offer may lapse or be postponed in certain circumstances as set out in paragraphs 2.1 and 2.2 of Part IV of this document.

The estimated costs and expenses to be borne by the Company in connection with the Tender Offer and the reconvened Annual General Meeting are approximately £1.5 million, excluding stamp duty but including VAT. Further details of these costs are set out in paragraph 6 of Part VI of this document.

Shareholders' attention is drawn to the letter from Winterflood Securities in Part III of this document and to Part IV of this document which, together with the Tender Form, constitute the terms and conditions of the Tender Offer. Details of how to tender Shares can be found in paragraph 4 of Part IV of this document and on the Tender Form.

### **Share Buy-Back Policy**

At the reconvened Annual General Meeting of the Company held on 28 February 2007, Shareholders granted the Company authority to make market repurchases of up to 8,692,759 Shares, which represented 14.99 per cent. of the then issued share capital. The special resolution authorising the Tender Offer will not affect this authority and no part of this authority will be used to implement the Tender Offer.

Immediately following the Tender Offer, assuming that the maximum number of Shares will be cancelled pursuant to the Tender Offer, there will be approximately 34,044,442 Shares in issue, provided that no further Shares are acquired in the meantime by the Company pursuant to the discount protection mechanism. In order to comply with the Listing Rules, unless the Company renews such buy-back authority as described below, the Company will limit repurchases under their authority to 14.99 per cent. of that number of Shares in issue.

The Board revised the Company's discount management policy following its announcement on 9 March 2007. The Board intends to purchase Shares on an ongoing basis with the aim of establishing a long term level of discount to Net Asset Value per Share of no wider than 3.5 per cent. The Board would also intend to renew the Share buy-back authority if the Company's buy-back powers, as limited

in the manner described above, become exhausted prior to the next Annual General Meeting of the Company. Shares bought back may be held in treasury or cancelled.

The Company can hold up to 10 per cent. of its issued Shares in treasury. Shares will only be re-issued from treasury where the Shares can be re-issued at a lower discount than the discount at which the Shares in treasury were originally acquired.

### **Reduction of Capital**

The Board is seeking authority to effect the Reduction of Capital following the completion of the Tender Offer, in order to ensure that the Company has sufficient distributable reserves to continue to implement its Share buy-back and discount management policies. Assuming that the special resolution approving the Reduction of Capital is passed at the Extraordinary General Meeting, the Company will, shortly after the Tender Offer, apply to the Court to cancel its share premium account and capital redemption reserve, thereby creating a special reserve, which, subject to compliance with any Court undertaking (or form of creditor protection) may be treated as distributable profits for all purposes, including market purchases of Shares and the payment of dividends.

It is not currently envisaged that the creation of a new reserve will affect the Company's dividend or accounting policies.

The Reduction of Capital will only take effect on an office copy of the Court order being duly registered by the Registrar of Companies in England and Wales which is expected to take place by the end of August 2007.

### **Investment Strategy**

The Company will continue to apply its investment objective of seeing capital growth over the long term from investment in continental Europe. The Manager will focus on stock selection, primarily larger companies with strong balance sheets and above average growth prospects. Less emphasis will be given to adding value through country allocation, although the portfolio will maintain a broad geographic diversification.

The performance record of the Company to 28 February 2007 in percentage terms has been:

	<i>3 months</i>	<i>1 year</i>	<i>3 years</i>	<i>5 years</i>	<i>10 years</i>
Net Asset Value per Share	4.5	12.0	69.8	63.2	187.3
Benchmark: FTSE World					
Europe (ex UK) Index	4.4	11.3	56.7	45.1	100.8
Share Price	3.6	12.2	86.9	64.7	174.2

(Source: Gartmore Investment Limited)

The Manager remains positive on the outlook for European equities in 2007. Earnings remain solid, valuations are attractive and share buy-backs, debt-funded acquisitions and buy-outs remain powerful drivers of value.

The Company has net assets of £350.3 million (as at 30 March 2007) and on the assumption that the Tender Offer is fully taken up the Company would have net assets of £212.2 million (using 30 March 2007 figures). The Board expects to maintain the dividend on the Shares at current levels but capital return remains the key objective of the Company.

### **Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands and the Isle of Man may be prohibited or affected by the relevant laws of the overseas jurisdiction and therefore such persons have not been sent a Tender Form or Scheme Tender Form. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read paragraph 10 of Part IV of this document. It is the

responsibility of all Overseas Persons to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such persons to complete and return a Tender Form or Scheme Tender Form.

### **Taxation**

Shareholders who sell Shares in the Tender Offer should, subject to the potential application of Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1, Part 13 of the Income Tax Act 2007 to Shareholders who are resident for tax purposes in the United Kingdom, be treated as selling their Shares in the normal way and may, depending on their individual circumstances, incur a liability to taxation on chargeable gains as a result. Further information on the UK taxation consequences of the Tender Offer is set out in Part V of this document.

**Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional adviser.**

### **Extraordinary General Meeting**

The Tender Offer is subject to Shareholder approval. A notice convening an Extraordinary General Meeting of the Company, which is to be held at 11.00 a.m. on 27 April 2007, is set out at the end of this document. At this meeting, a special resolution will be proposed to sanction the Tender Offer. A second special resolution will be proposed which, if passed, will approve the Reduction of Capital.

Whether or not you wish to tender your Shares under the Tender Offer and regardless of whether you intend to be present at the Extraordinary General Meeting, **Shareholders are requested to complete and return the accompanying Form of Proxy** in accordance with the instructions printed thereon, so as to be received by the Registrars as soon as possible, and in any event no later than 11.00 a.m. on 25 April 2007. The completion and return of the Form of Proxy will not preclude you from attending the meeting and voting in person should you so wish.

### **Gartmore Savings Schemes**

Scheme Participants may attend the Extraordinary General Meeting although they cannot exercise their voting rights at the meeting as this may only be done by the registered holder of the Shares, BNY GIL Nominees Limited. Scheme Participants may therefore instruct BNY GIL Nominees Limited to vote on their behalf at the Extraordinary General Meeting in respect of the Shares which BNY GIL Nominees Limited holds on their behalf by completing the Voting Direction Form enclosed with this document. Scheme Participants should read carefully the letter accompanying this document from Gartmore Investment Limited and are requested to complete the Voting Direction Form and return it to Gartmore Investment Limited, PO Box 9032, Chelmsford, CM99 2WP in accordance with the instructions printed thereon so as to be received by no later than 5.00 p.m. on 18 April 2007.

Scheme Participants will be treated in the same way as Shareholders for the purposes of any pro-rating of tenders in excess of their Basic Entitlement.

### **Irrevocable Undertaking**

On 9 March 2007, the Company received an irrevocable undertaking from Carrousel Capital Limited to vote in favour of the resolution to be proposed at the Extraordinary General Meeting to implement the Tender Offer and to accept the Tender Offer, in respect of 16,379,023 Shares representing 28.5 per cent. of the Company's issued share capital as at the Record Date and the entirety of Carrousel's holding in the Company. Details of this irrevocable undertaking are set out in paragraph 4 of Part VI of this document.

### **Recommendation**

Your Board, which has been advised by Winterflood Securities, considers that the Tender Offer, the Reduction of Capital and the special resolutions to be proposed at the Extraordinary General Meeting are in the best interests of Shareholders as a whole. This letter is not a recommendation to Shareholders to tender their Shares and the Directors will not be tendering any of their Shares in the Tender Offer.

The Board unanimously recommends Shareholders to vote in favour of the resolutions to be proposed at the Extraordinary General Meeting, as the Directors intend to do in respect of their own beneficial holdings totalling 2,500 Shares (representing 0.004 per cent. of the Company's issued share capital as at the Record Date).

The Directors make no recommendation to Shareholders as to whether to tender their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position.

Yours faithfully,

**Rodney Dennis**  
*Chairman*

## PART III

### LETTER FROM WINTERFLOOD SECURITIES LIMITED



*The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London. EC4R 2GA*  
Tel: +44(0)20 7621 0004 Fax: +44(0)20 7623 7066 [www.winsresearch.co.uk](http://www.winsresearch.co.uk)

3 April 2007

*To Shareholders and Scheme Participants*

Dear Sir or Madam,

#### TENDER OFFER

As explained in the letter from the Chairman in Part II of this document, Shareholders and Scheme Participants (other than certain Overseas Persons) are being given the opportunity to tender some or all of their Shares for purchase in the Tender Offer. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer. Scheme Participants should refer to the accompanying letter from Gartmore Investment Limited for more information on how they may participate in the Tender Offer.

Winterflood Securities hereby invites Shareholders and Scheme Participants to tender Shares for purchase by Winterflood Securities for cash at a price per Share equal to the Repurchase Price. The Tender Offer is made on the terms and subject to the conditions set out in Part IV of this document. This letter is not a recommendation to Shareholders or Scheme Participants to sell their Shares.

Shareholders (other than certain Overseas Persons) will be entitled to tender their Basic Entitlement, being such number of Shares (rounded down to the nearest whole number) as represents 40 per cent. of their registered holdings as at the Record Date. Such Shareholders may tender fewer Shares than their Basic Entitlement, or they may tender Shares in excess of their Basic Entitlement. Any such excess tenders will only be satisfied to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement. If the aggregate number of Shares tendered is greater than the number of Shares available to satisfy such tenders, such excess tenders will be satisfied pro rata in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares. For the purposes of pro-rating, Scheme Participants will be treated in the same way as Shareholders.

The number of Shares to be acquired under the Tender Offer will not in any event exceed 22,924,960 Shares, representing 40 per cent. of the Company's issued share capital as at the Record Date.

**Shareholders or Scheme Participants are not obliged to tender Shares and those who wish to continue their investment in the Company should not return their Tender Form or Scheme Tender Form.**

#### Procedure for Tendering Shares

Shareholders and Scheme Participants who wish to tender Shares should complete the Tender Form or Scheme Tender Form in accordance with the instructions set out therein and return the completed form by post using the enclosed pre-paid envelope to the Registrars so as to be received as soon as possible and in any event no later than 5.00 p.m. on 18 April 2007 (in the case of Scheme Participants) and no later than 11.00 a.m. on 25 April 2007 (in the case of Shareholders).

Shareholders who hold their Shares in certificated form should also return the share certificate(s) and/or other document(s) of title in respect of the Shares tendered. Shareholders who hold their Shares in uncertificated form (that is, in CREST) should return the Tender Form as described above and, in the case of Shareholders who hold their Shares in CREST, arrange for their Shares to be transferred to escrow as described in paragraph 4 of Part IV of this document and in the Tender Form.

Full details of the procedure for tendering are set out in paragraph 4 of Part IV of this document and the Tender Form and Scheme Tender Form.

### **Validity of Tenders**

Tender Forms and Scheme Tender Forms which are received by the Registrars after the deadlines specified above or which at that time are incorrectly completed or not accompanied by all relevant instructions or documents, or a satisfactory indemnity in lieu thereof, may be rejected and returned to Shareholders (or Scheme Participants) or their appointed agent, together with any accompanying share certificate and/or other document(s) of title.

Winterflood Securities reserves the right to treat as valid only Tender Forms or Scheme Tender Forms received by the Registrars, by the deadline specified above, which are entirely in order and which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/ or other document(s) of title or a satisfactory indemnity in lieu thereof.

### **Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders and Scheme Participants with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read paragraph 10 of Part IV of this document.

### **Conditions**

The Tender Offer is conditional on the passing of the first special resolution set out in the notice of Extraordinary General Meeting at the end of this document no later than 27 April 2007 or such later date (not being later than 10 Business Days after 27 April 2007) as the Company and Winterflood Securities may determine and upon Winterflood Securities being satisfied that the Company has sufficient funds available to meet its obligations under the Repurchase Agreement and upon Company having paid such funds into an account or accounts, as set out in paragraph 2 of Part IV of this document.

### **Lapse or Postponement of the Tender Offer**

The Tender Offer may lapse or be postponed in certain circumstances referred to in paragraphs 2.1 and 2.2 of Part IV of this document.

### **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the Repurchase Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by cheque, or payment through CREST, as appropriate) by 15 May 2007 or as soon as practicable thereafter, as described in paragraph 5 of Part IV of this document. Payment of the Repurchase Price due to Scheme Participants whose tenders under the Tender Offer have been accepted will be made by cheque by 22 May 2007 or as soon as practicable thereafter as described in paragraph 5 of Part IV of this document.

### **The City Code on Takeovers and Mergers**

Shareholders should note the following important information relating to certain provisions of the City Code, which will be relevant to purchases of Shares after the date of this document.

Under Rule 9 of the City Code, any person or group of persons deemed to be acting in concert who acquire 30 per cent. or more of the voting shares of a company to which the City Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the City Code also provides that any person or group of persons deemed to be acting in concert who own between 30 per cent. and 50 per cent. of the voting shares of a company to which the City Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the City Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by shareholdings of the directors and persons acting in concert with them are treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the directors will not incur an obligation to make a general offer under Rule 9 if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not normally apply when a shareholder not acting in concert with the directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

A Shareholder not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquire 30 per cent. or more of the Shares following the Tender Offer or otherwise and he has purchased Shares when he had reason to believe that the Company would purchase its own Shares (under the Tender Offer or otherwise, and in particular after 9 March 2007, being the date on which the details of the proposed Tender Offer were announced).

Winterflood Securities will purchase, as principal, Shares under the Tender Offer which could result in Winterflood Securities owning 30 per cent. or more of the issued share capital of the Company. Winterflood Securities has undertaken that, immediately subsequent to such purchase, it will sell all those Shares to the Company at the Repurchase Price for cancellation. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 to the purchase by Winterflood Securities of the Shares under the Tender Offer.

#### **Further Information**

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part IV of this document.

Yours faithfully

**Robin Archibald**

*Director, Corporate Finance & Broking  
Winterflood Securities*

## PART IV

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. Tenders

- 1.1 All Shareholders (other than certain Overseas Persons) may tender Shares for purchase by Winterflood Securities on the terms and subject to the conditions set out in this Part IV and the accompanying Tender Form (which together constitute the Tender Offer).
- 1.2 Scheme Participants are particularly referred to the information contained in paragraph 4 below in relation to the mechanism by which Shares held by them through the Gartmore Savings Schemes will be included within the Tender Offer, following completion by them of the Scheme Tender Form.
- 1.3 The Tender Offer is made at the Repurchase Price calculated in accordance with paragraph 3 below. The consideration for each tendered Share acquired by Winterflood Securities pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 5 below.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been (and remains) postponed or has lapsed in accordance with the provisions of paragraph 2 below, Winterflood Securities will accept the offers of Shareholders validly made in accordance with this Part IV, subject as mentioned below, on the following basis:
  - (i) each Shareholder (other than certain Overseas Persons) will be entitled to sell to Winterflood Securities his/her or its Basic Entitlement; and
  - (ii) a facility is available under which such Shareholders may tender Shares in excess of their Basic Entitlement. Such excess tender requests will be satisfied to the extent that other Shareholders tender Shares in respect of less than the whole of their Basic Entitlement, *pro rata* in proportion to the amount in excess of the Basic Entitlement tendered (rounded down to the nearest whole number of Shares).

For the purposes of these calculations, each Scheme Participant shall be treated as if he were a Shareholder holding Shares directly rather than through one of the Gartmore Savings Schemes.

- 1.5 A maximum number of 22,924,960 Shares, representing 40 per cent. of the issued Shares of the Company as at the Record Date, will be acquired by Winterflood Securities under the Tender Offer.

#### 2. Conditions and Suspension

- 2.1 The Tender Offer is conditional on the following (together the "Conditions"):
  - (a) the passing of the first special resolution set out in the notice of the Extraordinary General Meeting at the end of this document by no later than 27 April 2007 or such later date (not being later than 10 Business Days after 27 April 2007) as the Company and Winterflood Securities may determine; and
  - (b) Winterflood Securities being satisfied that the Company has in its control or to its order the aggregate amount payable under the Tender Offer and the Company having paid the same into an account or accounts in accordance with the Repurchase Agreement.

Winterflood Securities will not purchase any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full. Condition 2.1(a) may not be waived by Winterflood Securities. If the Conditions are not satisfied prior to the close of business on 11 May 2007, the Company may postpone the completion of the Tender Offer for up to 20 Business Days, after which time, if the conditions are not satisfied, Winterflood Securities can postpone the completion of the Tender Offer until 30 June 2007, after which time the Tender Offer will lapse.

- 2.2 If the Company (acting through the Directors) shall at any time prior to Winterflood Securities effecting the purchase as principal of the tendered Shares notify Winterflood Securities in writing that in its reasonable opinion either (i) there has occurred a change in national or international financial, economic, political or market conditions such that it has either become impractical or inappropriate for the Company to dispose of investments to raise finance to enable it to fund the repurchase of such of the Shares as are to be repurchased by it pursuant to the Repurchase Agreement without materially harming Shareholders as a whole, or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, Winterflood Securities may by written notice to the Company postpone the Calculation Date or the completion of the Tender Offer for up to 20 Business Days.

### **3. The Repurchase Price**

The Repurchase Price will be calculated as follows:

- 3.1 The Company will calculate its NAV as at the Calculation Date which, for the purposes of the Tender Offer, shall mean the value of all the assets (including amounts accrued on revenue account for the period since 30 September 2006) less all the liabilities of the Company. All assets and liabilities will be taken into account in accordance with International Financial Reporting Standards and the Association of Investment Companies' statement of recommended practice and, save as inconsistent therewith, such NAV shall be calculated in accordance with the Company's current accounting policies and before the expenses of the Tender Offer. For this purpose the following bases of valuation shall be adopted:
- (i) the value of those investments of the Company which are listed, quoted or dealt in on a stock exchange shall be calculated by reference to the bid quotations or prices, as the case may be, as at the close of business on the Calculation Date, provided that if no price is available then the relevant investment shall be deemed to come within paragraph (ii) below and not this paragraph (i);
  - (ii) the value of all other investments of the Company shall be calculated as being their fair realisable values as at the close of business on the Calculation Date as determined by the Directors;
  - (iii) any value otherwise than in pounds sterling shall be converted at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances, having regard to any relevant conversion costs; and
  - (iv) an amount which reflects all other liabilities and obligations of the Company whatsoever (including a fair provision for any contingent liabilities (if any) but excluding liabilities under the Repurchase Agreement, stamp duty payable as a result of the repurchase of the Shares, commission payable on the repurchase and any other costs of implementing the Tender Offer together with the costs of the reconvened Annual General Meeting of the Company held on 28 February 2007) or losses as at the Calculation Date shall be calculated, as determined by the Directors.

No party shall be under liability by reason of the fact that a price reasonably believed to be the appropriate price for any quoted or unquoted investment may be found subsequently not to be such.

- 3.2 The resulting amount, calculated in accordance with paragraph 3.1 above, will then be divided by the total number of Shares in issue or deemed to be in issue on the Calculation Date.
- 3.3 The Realisation NAV will be determined as a 2 per cent. discount to the NAV resulting from the application of paragraphs 3.1 and 3.2 above.
- 3.4 Following Shareholder approval of the Tender Offer, the Company will establish a Repurchase Pool with a value at the Calculation Date equal to Realisation NAV per Share multiplied by the

number of Shares accepted under the Tender Offer. Assets will be allocated to the Repurchase Pool on the following basis:

- (i) assets will be valued in the same manner as applies to the calculation of NAV as set out in paragraph 3.1 of this Part IV;
- (ii) no liabilities of the Company will be allocated to the Repurchase Pool;
- (iii) any cash or short term deposits held by the Company will be allocated to the Repurchase Pool to the extent that these exceed the liabilities of the Company, but no debtors shall be so allocated;
- (iv) investments whose listing has been suspended and any other assets which the Directors in their absolute discretion consider it would be inappropriate to transfer to the Repurchase Pool (for example debtors and stocks subject to corporate action preventing their rapid realisation) will not be allocated to the Repurchase Pool;
- (v) the quoted investments held by the Company will be allocated to the Repurchase Pool on a pro rata basis, to the extent that cash and short term deposits transferred to the Realisation Pool under sub-paragraph (iii) above are less than Realisation NAV. For such purposes, calculation of the number of securities to be allocated to the Repurchase Pool will be made to the sixth decimal place of a share;
- (vi) the value of any fractions of shares allocated to the Repurchase Pool will be replaced by cash which shall be transferred to the Repurchase Pool; and
- (vii) if assets (other than cash or short term deposits) in the Repurchase Pool representing 3 per cent. or less of the value of the Repurchase Pool at the Calculation Date cannot be sold in the market or otherwise prior to the calculation of the Repurchase Price, such assets will be replaced in the Repurchase Pool by cash at a value to be determined by the Directors in their absolute discretion, taking into account the fact that it has been established that such assets are not capable of ready realisation in the market.

3.5 The assets in the Repurchase Pool will be realised for cash. The Manager will be entitled to transfer assets out of the Repurchase Pool in exchange for cash provided by the Company at fair market value.

3.6 The Repurchase Price will be the value of the cash and short term deposits in the Repurchase Pool (following the realisation of the assets in the Repurchase Pool, less the costs of realising such assets), divided by the number of Shares validly tendered in the Tender Offer (calculated in pence and rounded down to four decimal places).

#### **4. Procedure for tendering Shares**

##### **4.1 *Completion of Tender Forms and/or Scheme Tender Forms***

To tender their Shares, Shareholders must (whether or not their Shares are in CREST) complete, sign and return the accompanying Tender Form in accordance with this paragraph 4 and the instructions printed on the Tender Form, which shall be deemed to form part of the Tender Offer. To tender the Shares held by them through the Gartmore Savings Schemes, Scheme Participants must complete, sign and return the accompanying Scheme Tender Form in accordance with this paragraph 4 and the instructions printed on the Scheme Tender Form, which shall be deemed to form part of the Tender Offer.

If Shareholders hold Shares in both certificated and uncertificated form, they should complete a separate Tender Form for each holding. In addition, Shareholders should complete separate Tender Forms for Shares held in uncertificated form but under different member account IDs and for Shares held in certificated form but under different designations.

Additional Tender Forms are available from the Registrars.

## 4.2 *Return of Tender Forms and/or Scheme Tender Forms*

### 4.2.1 Shareholders holding Shares in certificated form (that is, not in CREST)

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If the share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and sent by post in the enclosed pre-paid envelope to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA as soon as possible and, in any event, so as to be received by Lloyds TSB Registrars no later than 11.00 a.m. on 25 April 2007 together with any share certificate(s) and/or other document(s) of title that may be available, accompanied by a letter stating that the remaining share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 11.00 a.m. on 25 April 2007.

Shareholders who have lost their share certificate(s) and/or other document(s) of title should write to the Company's Registrars for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Registrars so as to be received no later than 11.00 a.m. on 25 April 2007.

### 4.2.2 Shareholders holding Shares in uncertificated form in CREST

If the Shares which a Shareholder wishes to tender are held in uncertificated form, the Shareholder must insert in Box 5 of the Tender Form the participant ID and member account ID under which such Shares are held by such Shareholder in CREST and otherwise complete and return the Tender Form as described in paragraph 4.2.1 above. In addition, a Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction, being a transfer from escrow instruction) the number of Shares which he wishes to tender under the Tender Offer to an escrow balance, specifying Lloyds TSB Registrars (in its capacity as a CREST receiving agent under its participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the transfer to escrow settles no later than 11.00 a.m. on 25 April 2007.

If a Shareholder is a CREST sponsored member, he should refer to his CREST sponsor before taking any action. His CREST sponsor will be able to confirm details of his participant ID and the member account ID under which the Shares are held. In addition, only the Shareholder's CREST sponsor will be able to send the TTE Instruction to CRESTCo Limited ("CRESTco") in relation to the Shares which he wishes to tender.

A Shareholder should send (or, if he is a CREST sponsored member, procure that his CREST sponsor sends) a TTE Instruction to CRESTCo, which must be properly authenticated in accordance with CRESTCo's specifications and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Shares to be transferred to an escrow balance;
- the Shareholder's participant ID. This must be the same participant ID as the participant ID that is inserted in Box 5 of the Tender Form;
- the Shareholder's member account ID. This must be the same member account ID as the member account ID that is inserted in Box 5 of the Tender Form;
- the participant ID of the Escrow Agent, in its capacity as a CREST receiving agent. This is: 2RA34;
- the member account ID of the Escrow Agent. This is: RA618901;
- the Corporate Action Number for the Tender Offer. This is allocated by CRESTCo and can be found by viewing the relevant corporate action details in CREST;
- the Tender Form Reference Number. This is the Reference Number that appears within Box 5 of the Tender Form. This Reference Number should be inserted in the first eight

characters of the shared note field on the TTE Instruction. Such reference will enable Lloyds TSB Registrars to match the transfer to escrow to the Shareholder's Tender Form. Shareholders should keep a separate record of this Tender Form Reference Number for future reference;

- the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event no later than 11.00 a.m. on 25 April 2007;
- the corporate action ISIN of the Shares. This is: GB0005268858; and
- input with standard delivery instruction of priority 80.

After settlement of the TTE Instruction, a Shareholder will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding they will be held by Lloyds TSB Registrars as the Shareholder's agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Lloyds TSB Registrars will transfer the Shares which are accepted by Winterflood Securities to itself as their agent.

Shareholders are recommended to refer to the CREST Manual published by CRESTCo for further information on the CREST procedures outlined above. For ease of processing, Shareholders are requested, wherever possible, to ensure that a Tender Form relates to only one transfer to escrow.

If no Tender Form Reference Number, or an incorrect Tender Form Reference Number, is included on the TTE Instruction, Winterflood Securities may (but shall not be obliged to) treat any number of Shares transferred to an escrow balance in favour of the Escrow Agent from the participant ID and member account ID identified in the TTE Instruction as relating to any Tender Form which relates to the same participant ID and member account ID (up to the number of Shares inserted or deemed to be inserted in the Tender Form concerned).

**Shareholders should note that CRESTCo does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE Instruction relating to their Shares to settle prior to 11.00 a.m. on 25 April 2007. In this connection Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

An appropriate announcement will be made if any of the details contained in this paragraph 4.2.2 are altered.

#### 4.2.3 Shares held by Scheme Participants through the Gartmore Savings Schemes

Scheme Participants who wish to participate in the Tender Offer should complete the Scheme Tender Form in the accordance with the instructions set out therein and return it by post to Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA as soon as possible and in any event so as to be received no later than 5.00 p.m. on 18 April 2007. No Scheme Tender Forms received after this time will be accepted. A pre-paid envelope is enclosed with this document for returning your Scheme Tender Form.

#### 4.2.4 General

No acknowledgement of receipt of documents will be given. Any Tender Form or Scheme Tender Form received in an envelope postmarked in an Excluded Jurisdiction or otherwise appearing to Winterflood Securities or its agents to have been sent from an Excluded Jurisdiction will be rejected as an invalid tender. See paragraph 10 for further information on Overseas Persons.

### 4.3 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form,

during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 11.00 a.m. on 25 April 2007.

#### 4.4 *Validity of tenders*

Notwithstanding the powers in paragraph 8.5, Winterflood Securities reserves the right to treat as valid only Tender Forms which are received entirely in order by 11.00 a.m. on 25 April 2007 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof, in respect of the entire number of Shares tendered. **The Record Date for the Tender Offer is 5.00 p.m. on 14 March 2007.**

Notwithstanding the completion of a valid Tender Form, the Tender Offer may be postponed or lapse in accordance with the terms and conditions set out in this Part IV.

The decision of Winterflood Securities as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If a Shareholder or Scheme Participant is in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, he should contact Lloyds TSB Registrars by telephone on 0870 609 2158 (or +44 1903 276342 if calling from outside the United Kingdom). Please note that no investment advice can be given by the Registrars and if Shareholders or Scheme Participants are in any doubt about what action to take they should consult an appropriate independent financial adviser. Shareholders are reminded that, if a Shareholder is a CREST sponsored member, he should consult his CREST sponsor before taking any action.

## 5. Settlement

### 5.1 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Winterflood Securities is expected to be made as follows:

5.1.1 Shares held in certificated form (that is, not in CREST) where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Registrars by first class post by 15 May 2007 to the person or agent whose name and address (outside an Excluded Jurisdiction) is set out in Box 6A or, if relevant, Box 6B of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

5.1.2 Shares held in uncertificated form in CREST: where an accepted tender relates to Shares held in uncertificated form in CREST, the consideration due will be paid by means of a CREST payment obligation in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements by 15 May 2007.

5.1.3 Shares held through the Gartmore Savings Schemes: where an accepted tender relates to Shares held through one of the Gartmore Savings Schemes, cheques for the consideration due will be despatched by first class post by 22 May 2007 to the registered address of the tendering Scheme Participant or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

### 5.2 If only part of a holding of Shares is sold pursuant to the Tender Offer:

5.2.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the unsold Shares;

5.2.2 where the Shares are held in uncertificated form in CREST, the unsold Shares will be transferred by the Escrow Agent by means of a TFE Instruction to the original available balance from which those Shares came; or

5.2.3 where the Shares are held by a Scheme Participant, the unsold beneficial holding of Shares will be recorded in the Scheme Participant's account.

## **6. Tender Form or Scheme Tender Form**

Each Shareholder by whom, or on whose behalf, a Tender Form is executed (or where applicable each Scheme Participant by whom or on whose behalf a Scheme Tender Form is executed) irrevocably undertakes, represents, warrants and agrees to and with Winterflood Securities (for itself and as trustee for the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 6.1 the execution of the Tender Form shall constitute an offer to sell to Winterflood Securities such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 3B or Box 3C of page 3 of the Tender Form or deemed (in accordance with paragraph 7.1) to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such offer shall be irrevocable;
- 6.2 the execution of the Scheme Tender Form shall constitute an instruction to the appropriate Scheme Manager to offer to sell to Winterflood Securities such Scheme Participant's Basic Entitlement or, if relevant, the number of Shares inserted in Box 3B or Box 3C of page 3 of the Scheme Tender Form or deemed (in accordance with paragraph 7.1) to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and the Scheme Tender Form and that, once lodged, such instruction shall be irrevocable;
- 6.3 such Shareholder or Scheme Participant has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood Securities, Winterflood Securities will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Record Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 6.4 the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Winterflood Securities as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in sub-paragraph 6.1 above in favour of Winterflood Securities or such other person or persons as Winterflood Securities may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Winterflood Securities or its nominee(s) or such other person(s) as Winterflood Securities may direct such Shares;
- 6.5 such Shareholder or Scheme Participant agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood Securities or any of its directors or any person nominated by Winterflood Securities in the proper exercise of its or his or her powers and/or authorities hereunder;
- 6.6 such Shareholder holding Shares in certificated form will deliver to the Registrars his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in paragraph 4.2.1 above, or an indemnity acceptable to Winterflood Securities in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than 11.00 a.m. on 25 April 2007;

- 6.7 the provisions of the Tender Form and the Scheme Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 6.8 such Shareholder or Scheme Participant shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood Securities to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 6.9 such Shareholder or Scheme Participant, if an Overseas Person, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to him and may be accepted by him under the laws of the relevant jurisdiction;
- 6.10 such Shareholder or Scheme Participant has not received or sent copies or originals of this document, the Tender Form, or any related documents in or into an Excluded Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of an Excluded Jurisdiction, the Tender Form or Scheme Tender Form has not been mailed or otherwise sent in, into or from an Excluded Jurisdiction and such Shareholder is accepting the Tender Offer from outside an Excluded Jurisdiction;
- 6.11 on execution the Tender Form or Scheme Tender Form takes effect as a deed;
- 6.12 the execution of the Tender Form or Scheme Tender Form constitutes such Shareholder's or Scheme Participant's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- 6.13 the creation of a payment obligation in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV will, to the extent of the obligations so created, discharge fully any obligation of Winterflood Securities to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer; and
- 6.14 despatch of cheques in respect of the cash consideration to which a Shareholder or Scheme Participant is entitled under the Tender Offer to such Shareholder or Scheme Participant at his registered address or at such other address as is specified in the Tender Form or Scheme Tender Form, will constitute a complete discharge of Winterflood Securities' obligation to make such payment to such Shareholder or Scheme Participant.

A reference in this paragraph 6 to a Shareholder or Scheme Participant includes a reference to the person or persons executing the Tender Form or Scheme Tender Form and in the event of more than one person executing a Tender Form or Scheme Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **7. Additional Provisions**

- 7.1 Each Shareholder or Scheme Participant may tender some of or all of their holding of Shares on the Record Date, subject to scaling down of tenders in excess of such Shareholder's Basic Entitlement on the basis set out in paragraph 1 of this Part IV. If (i) none of Box 3A, Box 3B or Box 3C of page 3 of the Tender Form is completed; or (ii) if, in Winterflood Securities' determination (in its absolute discretion), Box 3 has not been validly completed (for example if more than one of Box 3A, Box 3B or Box 3C has been completed), provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender may be accepted as a valid tender in respect of the whole of the tendering Shareholder's Basic Entitlement.
- 7.2 If a Shareholder holding Shares in certificated form does not return his share certificate(s) by 11.00 a.m. on 25 April 2007, Winterflood Securities may deem (in its absolute discretion) that such Shareholder has only tendered the number of Shares in respect of which share certificates have been received.

- 7.3 Shares acquired by Winterflood Securities under the Tender Offer will be purchased by Winterflood Securities as principal and such purchases will be market purchases in accordance with rules of the London Stock Exchange and UK Listing Authority.
- 7.4 Unless the completion of the Tender Offer has lapsed or been postponed in accordance with the provisions of paragraph 2 of this Part IV the Tender Offer will close at 11.00 a.m. on 25 April 2007 and by close of business on 9 May 2007 the Company will announce the results of the Tender Offer, including:
- (a) the total number of Shares tendered; and
  - (b) the Repurchase Price.
- 7.5 Each Shareholder or Scheme Participant who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Winterflood Securities agreeing to process his tender, such Shareholder or Scheme Participant will not revoke his tender or withdraw his Shares. Shareholders or Scheme Participants should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 7.6 Any omission to despatch this document, the Tender Form, the Scheme Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 7.7 No acknowledgement of receipt of any Tender Form, Scheme Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 7.8 All powers of attorney and authorities on the terms conferred by or referred to in this Part IV or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with Section 4 of the Powers of Attorney Act 1971.
- 7.9 All tenders must be made on the Tender Form or Scheme Tender Form, duly completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A tender will only be valid when the procedures contained in these terms and conditions and in the Tender Form or Scheme Tender Form, as applicable, are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or Scheme Tender Form will constitute submission to the jurisdiction of the English courts.
- 7.10 If the Tender Offer does not become unconditional or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer lapsing, to the person or agent whose name and address (outside an Excluded Jurisdiction) is set out in Box 6A or Box 6B of the Tender Form or, if none is set out, to the tendering Shareholder or Scheme Participant or, in the case of joint holders, the first named at his/her registered address in the United Kingdom, the Channel Islands or the Isle of Man. In the case of Shares held in uncertificated form in CREST, Lloyds TSB Registrars in its capacity as the Escrow Agent will, within 14 Business Days of the Tender Offer lapsing, give instructions to CRESTCo to transfer all Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms and Scheme Tender Forms will cease to have any effect.
- 7.11 Subject to paragraphs 9 and 10 below the Tender Offer is open to Shareholders who are on the Register on the Record Date and to Scheme Participants through the registered holder for the relevant Gartmore Savings Scheme on the Register on the Record Date. The Tender Offer will

close at 11.00 a.m. on 25 April 2007. No Tender Form, and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted.

7.12 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form and Scheme Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out at the end of this document apply to the terms and conditions set out in this Part IV.

7.13 Further copies of this document and the Tender Form and Scheme Tender Form may be obtained on request from the Registrars at the addresses set out on the relevant form.

## **8. Miscellaneous**

8.1 Any changes to the terms, or any postponement or extension of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such changes and, thereafter, by a further circular posted to Shareholders (other than certain Overseas Shareholders). Such an announcement will be released to a Regulatory Information Service. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by Winterflood Securities to the press and delivery of or telephone or facsimile or other electronic transmission of such announcement to a Regulatory Information Service.

8.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer be acquired from Winterflood Securities by the Company on the London Stock Exchange pursuant to the Repurchase Agreement at the Repurchase Price and will be subsequently cancelled.

8.3 Save insofar as taken into account in calculating the Repurchase Price in accordance with paragraph 3 of this Part IV, tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Winterflood Securities of Shares pursuant to the Tender Offer. Expenses such as stamp duty and commissions relating to the Tender Offer will be paid by the Company following the calculation of the Repurchase Price.

8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer, and, if given or made, such other information or representations should not be relied on as having been authorised by Winterflood Securities or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.

8.5 Winterflood Securities reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and Scheme Tender Forms, and may consider void and reject any tender or application to purchase Shares that does not in Winterflood Securities' sole judgement (acting reasonably) meet the requirements of the Tender Offer. Winterflood Securities also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or which, in the case of a Tender Form, is not accompanied (in the case of Shares held in uncertificated form in CREST) by the relevant TTE Instruction or (in the case of Shares held in certificated form) by the related share certificate(s) and/or other document(s) of title. None of Winterflood Securities, the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

## **9. Scheme Participants**

Shares held through the Gartmore Savings Schemes tendered by Scheme Participants will be included within the Tender Offer through the completion of a Scheme Tender Form by the registered holder for the relevant Gartmore Savings Scheme, in respect of the aggregate number of Shares accepted as tendered by Scheme Participants in that particular Gartmore Savings Scheme (including any accepted excess tenders). Winterflood Securities will grant Scheme Participants the same opportunity as Shareholders to tender in excess of their Basic Entitlement which will be satisfied to the extent

Shareholders and/or other Scheme Participants have not taken up all or part of their Basic Entitlement on the basis set out in paragraph 1 above and any such excess tenders for Scheme Participants will be deemed to be included in the Scheme Tender Form completed by the registered holder for the relevant Gartmore Savings Scheme, notwithstanding that the calculation of the number of such excess tenders so accepted by Winterflood Securities may only be completed after the Record Date. Where the context permits, references in this Part IV to Shareholders shall include Scheme Participants.

## **10. Overseas Shareholders**

- 10.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom, the Channel Islands or the Isle of Man or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders or Scheme Participants who are Overseas Persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Person wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Person will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Winterflood Securities and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Person for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms or Scheme Tender Forms in any territory outside the United Kingdom, the Channel Islands or the Isle of Man.
- 10.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) or interstate or foreign commerce, or of any facility of a national securities exchange, of an Excluded Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within an Excluded Jurisdiction.
- 10.3 Accordingly, copies of this document, the Tender Forms, the Scheme Tender Forms and any related documents are not being and must not be mailed or otherwise distributed or sent in or into an Excluded Jurisdiction, including to Shareholders with registered addresses in an Excluded Jurisdiction or to persons whom Winterflood Securities knows to be custodians, nominees or trustees holding Shares for persons in an Excluded Jurisdiction. Persons receiving such documents or wishing to accept the Tender Offer should not distribute or send them in, into or from an Excluded Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Envelopes containing Tender Forms or Scheme Tender Forms should not be postmarked in an Excluded Jurisdiction. All accepting Shareholders and Scheme Participants must provide addresses outside an Excluded Jurisdiction for the remittance of cash or the return of documents lodged pursuant to the Tender Offer. A Shareholder or Scheme Participant will be deemed not to have accepted the Tender Offer if (i) such person is unable to make the representation and warranty set out in paragraphs 6.9 and 6.10; (ii) such Shareholder has an address in an Excluded Jurisdiction and such person does not insert where indicated on the Tender Form (in the case of a Shareholder) or relevant Scheme Tender Form (in the case of a Scheme Participant) the name and address of a person or agent outside an Excluded Jurisdiction to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and the applicable laws; or (iii) such person inserts on the Tender Form or Scheme Tender Form the name and address of a person or agent in an Excluded Jurisdiction to whom he wishes the consideration to which such person is entitled under the Tender Offer to be sent; or (iv) the Tender Form or Scheme Tender Form received from him is in an envelope postmarked in, or which otherwise appears to Winterflood Securities or its agents to have been sent from an Excluded Jurisdiction. Winterflood Securities reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representation

and warranty referred to in paragraphs 6.9 and 6.10 given by any person are correct and, if such investigation is undertaken and as a result Winterflood Securities determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.

10.4 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Forms, the Scheme Tender Form or any related offering documents in, into or from an Excluded Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of, an Excluded Jurisdiction in connection with such forwarding, such persons should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 10.

10.5 The provisions of this paragraph 10 and any other terms of the Tender Offer relating to Overseas Persons may be waived, varied or modified as regards specific Overseas Persons or on a general basis by Winterflood Securities in its absolute discretion but only if Winterflood Securities is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

10.6 The provisions of this paragraph 10 supersede any terms of the Tender Offer inconsistent herewith.

**Overseas Persons should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.**

## PART V

### TAXATION

The following comments are intended only as a general guide to certain aspects of current UK and HM Revenue and Customs (“HMRC”) practice, both of which are subject to change. The comments do not constitute tax advice. They are of a general nature and only apply to Shareholders and Scheme Participants who are resident for tax purposes only in the United Kingdom, who are the absolute beneficial owners of their Shares and who hold their Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities.

**Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional adviser.**

Subject to the comments below in respect of Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1, Part 13 of the Income Tax Act 2007, a Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder or Scheme Participant had sold such Shares in the normal way to a third party.

Accordingly any PEP/ISA participants selling Shares in the Tender Offer, who can satisfy the requirements for tax exemption in the PEP Regulations or the ISA Regulations, as the case may be, will not be subject to tax on any gains realised from such the sale of their Shares under the Tender Offer.

Subject to the comments below, any other Shareholder or Scheme Participant who is UK resident and takes part in the Tender Offer may, depending on that person’s personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale.

Non-UK resident Shareholders (other than dealers in securities) or Scheme Participants who do not hold their Shares for the purposes of a trade, profession or vocation carried on by that Shareholder or Scheme Participant through (in the case of an individual Shareholder) a branch or agency or (in the case of a corporate Shareholder) a permanent establishment in the UK will not normally be liable to UK taxation on chargeable gains in respect of the disposal of their Shares.

**Shareholders and Scheme Participants who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Shares are strongly recommended to consult their own independent professional advisers before making any such sales.**

Application has not been made to HMRC for clearance under Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1, Part 13 of Income Tax Act 2007. Under Section 703 and Chapter 1 of Part 13, HMRC may assess certain Shareholders or Scheme Participants to income tax, rather than capital gains tax, on the portion of the purchase price which exceeds the amount originally subscribed (including any premium) for the Shares if they consider that certain specified requirements apply to the Tender Offer. The Company has been advised, however, that Section 703 and Chapter 1 of Part 13 should not apply to Shareholders or Scheme Participants who sell their Shares under the Tender Offer. If HMRC does not raise any such assessment as is described above, then the capital gains tax treatment set out above will apply to all Shareholders or Scheme Participants.

The proposed Reduction of Capital will not have any tax consequences for the Company or Shareholders.

No stamp duty or stamp duty reserve tax will be payable by Shareholders or Scheme Participants selling their Shares under the Tender Offer.

The information relating to taxation set out above is based on law and practice currently in force in the United Kingdom and is subject to changes therein.

## PART VI

### GENERAL

#### 1. Directors' Interests

As at 2 April 2007 (the latest practicable date prior to the publication of this document), the interests of each Director and Senior Manager in the voting rights of the Company which have been notified to the Company pursuant to Disclosure and Transparency Rule 5.1.2 are set out in the following table:

	<i>No. of Shares</i>
Jean Claude Banon	–
Alexander Comba	–
Rodney Dennis	–
Michael Firth	–
Manfred Piehl	2,500

No Director has any interest in any transaction which is of an unusual nature, contains unusual conditions or is significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or during any earlier financial year and which remains in any respect outstanding or unperformed.

#### 2. Major Shareholders

As at 2 April 2007, the latest practicable date prior to the publication of this document, the Company was aware of the following persons, other than a Director, being interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

	<i>No. of Shares</i>	<i>Percentage of issued Share Capital</i>
Carrousel Capital Limited	16,579,023	29.10
Rensburg Sheppards Investment Management Limited	5,565,660	9.77
Barclays Plc	2,173,476	3.82
Tattersall Advisory Group	1,828,519	3.21

The nature of the Tender Offer is such that the Directors are unable to determine at the date of this document the parties that will be interested in 3 per cent. or more of the Shares following the implementation of the Tender Offer.

As at 2 April 2007, the Company held 2,470,987 Shares in treasury representing 4.34 per cent. of the Company's Shares in issue on that date.

#### 3. No Significant Change

There has been no significant change in the financial or trading position of the Company since 30 September 2006, being the date to which the latest audited annual financial statements have been prepared.

#### 4. Material Contracts

##### *(i) Repurchase Agreement*

On 3 April 2007, the Company entered into the Repurchase Agreement with Winterflood Securities. Under the Repurchase Agreement, upon the Tender Offer becoming unconditional in accordance with its terms, Winterflood Securities has agreed to sell to the Company at the Repurchase Price, and the Company has agreed to purchase, all tendered Shares (the resulting

position being that Winterflood Securities will no longer hold any Shares tendered by Shareholders under the Tender Offer). The Company is required to pay funds into a bank account sufficient to enable the Company to purchase such Shares from Winterflood Securities. Winterflood Securities' obligation to purchase tendered Shares from Shareholders pursuant to the Tender Offer is conditional upon receipt of confirmation that the Company has paid funds into the bank account.

*(ii) Irrevocable undertaking of Carrousel*

On 9 March 2007, Carrousel entered into an irrevocable undertaking to the Company under seal to vote in favour of the resolution to be proposed at the Extraordinary General Meeting to implement the Tender Offer and to accept the Tender Offer, in respect of 16,379,023 Shares representing 28.5 per cent. of the Company's issued share capital and the entirety of Carrousel's holding in the Company, as at the Record Date and 28.8 per cent. of the Company's issued share capital as at 2 April 2007, the latest practicable date prior to the publication of this Document. The undertaking does not apply to any Shares held by Carrousel which are sold at the direction of the prime brokers to such Shares. The irrevocable undertaking will lapse if the declaration of the result of the vote on the resolution is not made by 9 July 2007.

## **5. Consent**

- 5.1 Winterflood Securities has given and has not withdrawn its written consent to the issue of this document and its letter with the references to its name in the form and context in which it is included.
- 5.2 In giving the financial advice referred to under the heading "Recommendation" in the letter from the Chairman in Part II of this document, Winterflood Securities has taken into account the Directors' commercial assessment of the Tender Offer.

## **6. Expenses**

Over the last three months the Company has incurred expenditure in connection with the reconvened Annual General Meeting and the Tender Offer. Such advisory, legal costs and other third party costs (including VAT where relevant) amount to £1.5 million. In addition, the Company will incur stamp duty in buying back its Shares under the Tender Offer. These costs will be recovered in full by the application of the 2 per cent. discount applied in the calculation of the Realisation NAV used to determine the value of the Repurchase Pool and the Tender Offer is not expected to result in dilution to Shareholders who continue to be invested in the Company. Depending on the outcome of the Tender Offer, there may be a marginal asset uplift for Shareholders who continue to hold Shares after the Tender Offer.

Additional Board remuneration of £70,875, including VAT, is also included in these expenses and reflects the substantial extra workload of the Board, and in particular the Chairman, since the Company's financial year end.

## **7. Documents Available for Inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the completion, or lapse of the Tender Offer at the offices of Herbert Smith, Exchange House, Primrose Street, London EC2A 2HS, and at the registered office of the Company:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the consent letter from Winterflood Securities referred to in paragraph 5 above;
- (iii) the Repurchase Agreement and irrevocable undertaking from Carrousel Capital Limited referred to in paragraph 4 above;
- (iv) this document; and
- (v) the audited accounts of the Company for the years ended 30 September 2004, 30 September 2005 and 30 September 2006.

## DEFINITIONS

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

Act	the Companies Act 1985 (as amended)
Basic Entitlement	in the case of each Shareholder and Scheme Participant, the entitlement to tender in the Tender Offer up to 40 per cent. of the Shares registered in such person's name on the Record Date (in the register of members or the register of Scheme Participants maintained on behalf of Gartmore, as the Case may be) in each case rounded down to the nearest whole number of Shares
Board or Directors	the board of directors of the Company and Director means any one of them
Business Day	any day other than a Saturday, Sunday or public holiday in England and Wales
Calculation Date	close of business on 25 April 2007
City Code	The City Code on Takeovers and Mergers
Company	Gartmore European Investment Trust p.l.c.
CREST	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
CRESTCo	CRESTCo Limited
CREST member	a person who has been admitted by CRESTCo as a system-member (as defined in the CREST Regulations)
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Disclosure and Transparency Rules	the disclosure and transparency rules of the FSA
Excluded Jurisdiction	any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man in which it would be illegal to make the Tender Offer on the basis set out in this document
Extraordinary General Meeting	the Extraordinary General Meeting of the Company convened at 11.00 a.m. on 27 April 2007 or any adjournment thereof, notice of which is set out at the end of this document
Form of Proxy	the Form of Proxy accompanying this document, for use by Shareholders who hold their shares outside of the Gartmore Savings Schemes in connection with the Extraordinary General Meeting
FSMA	The Financial Services and Markets Act 2000

Gartmore Saving Schemes	the Gartmore Savings Plan for Investment Trusts (“SAVEit”), the Gartmore Individual Savings Account (“ISAit”) and the Gartmore Personal Equity Plan for Investment Trusts (“PEPit”)
London Stock Exchange	London Stock Exchange p.l.c.
Manager	Gartmore Investment Limited
Net Asset Value or NAV	the aggregate value of all assets less all liabilities of the Company calculated in accordance with the terms and conditions of the Tender Offer set out in Part IV
Overseas Person	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man
Panel	the Panel on Takeovers and Mergers
PEP/ISA Participants	beneficial owners of Shares held through the Gartmore Individual Savings Account (“ISAit”) and the Gartmore Personal Equity Plan for Investment Trusts (“PEPit”)
Realisation Costs	the costs of realising investments in the portfolio to finance the acquisition of Shares under the Tender Offer
Realisation NAV	the Net Asset Value to be used for calculation of the value of the Repurchase Pool, being Net Asset Value as at the Calculation Date
Receiving Agent or Escrow Agent	Lloyds TSB Registrars
Record Date	the date on which Shareholders (or the registered holder for the relevant Gartmore Savings Scheme, in the case of Scheme Participants) had to be on the Register in order to participate in the Tender Offer, being 5.00 p.m. on 14 March 2007
Reduction of Capital	the proposed cancellation of the amounts standing to the credit of the Company’s Share Premium Account and Capital Redemption Reserve
Register	the register of Shareholders of the Company
Registrars	Lloyds TSB Registrars
Repurchase Agreement	the letter agreement between the Company and Winterflood Securities for the repurchase by the Company on the London Stock Exchange of Shares purchased by Winterflood Securities pursuant to the Tender Offer as described in paragraph 4 of Part VI of this document
Repurchase Pool	the pool of assets to be created on 27 April 2007 and allocated to the Shareholders who have tendered their Shares
Repurchase Price	the price at which the Shares will be purchased pursuant to the Tender Offer representing the value of the cash and short term deposits in the Repurchase Pool (following the realisation of the assets in the Repurchase Pool, less the costs of realising such assets) as described in paragraph 3 of Part IV

Scheme Participant	beneficial owners of Shares held through one or more of the Gartmore Saving Schemes
Scheme Tender Form	as the context requires, the scheme tender form accompanying this document for use respectively by Scheme Participants as applicable, in connection with the Tender Offer
Share	an ordinary share of 50 pence in the capital of the Company
Shareholders	holders of Shares
Tender Form	the tender form accompanying this document for use by Shareholders in connection with the Tender Offer
Tender Offer	the invitation by Winterflood Securities to Shareholders and Scheme Participants (other than certain Overseas Persons) to tender Shares on the terms and subject to the conditions set out in this document
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
uncertificated or in uncertificated form	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Voting Direction Form	The form of direction, a version of the Form of Proxy, for use by Scheme Participants in connection with the Extraordinary General Meeting
Winterflood Securities	Winterflood Securities Limited, acting through its division Winterflood Investment Trusts

**Gartmore European Investment Trust p.l.c.**  
(Incorporated and registered with registered number 427958)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an extraordinary general meeting of Gartmore European Investment Trust p.l.c. (the "Company") will be held at 11.00 a.m. on 27 April 2007 at Gartmore House, 8 Fenchurch Place, London EC3M 4PB to consider and, if thought fit, pass the following resolutions which will be proposed as a special resolutions:

1. THAT:
  - (A) the Company be authorised for the purpose of section 166 of the Companies Act 1985 to make market purchases (within the meaning of section 163 of the said Act) of its issued Ordinary Shares of 50 pence each (the "Ordinary Shares") pursuant to the Tender Offer (the "Tender Offer") on the terms summarised in the circular to Shareholders of the Company of which the notice of this meeting forms a part (the "Circular"), provided that:
    - (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 22,924,960;
    - (ii) the price which shall be paid for an Ordinary Share shall be the Repurchase Price (as defined in the Circular) (which shall be both the maximum and the minimum price for the purposes of section 166 of the Companies Act 1985); and
    - (iii) unless renewed, the authority hereby conferred shall expire on the expiry of 15 months from the passing of this resolution save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry; and
  - (B) the authority to make market purchases within the meaning of s163(3) of the Companies Act 1985 approved by Shareholders at the annual general meeting of the Company on 28 February 2007 shall continue in effect and shall not be affected by the passing of this resolution nor shall any part of that authority be used in implementing the Tender Offer.
2. THAT conditionally on the completion of the Tender Offer and with the approval of the Court the amount standing to the credit of the share premium account and capital redemption reserve of the Company following the Tender Offer be cancelled.

By Order of the Board  
Gartmore Investment Limited  
3 April 2007

*Registered Office*  
Gartmore House  
8 Fenchurch Place  
London  
EC3M 4PB

Notes:

- (1) Any Shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote on his or her behalf. A proxy need not be a shareholder of the Company.
- (2) A form of proxy is enclosed for use by shareholders. To be effective, the form of proxy for use at the meeting and the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority, must be deposited at the office of the registrars, Lloyds TSB Registrars not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The appointment of a proxy will not preclude Members entitled to attend and vote at the meeting (or any adjournment(s) thereof) from doing so if they wish.
- (3) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders entered on the share register of the Company (the "Register") at 6.00 p.m. on 25 April 2007 or, in the event the meeting is adjourned, as at 11.00 a.m. on the second day prior to the adjourned meeting will be entitled to attend and vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or in proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for these purposes, seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
- (4) A corporation, which is a shareholder, may appoint an individual to act as its representative and to vote in person at the meeting. The appointment must comply with section 375 of the Companies Act 1985. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless previously given to the Company's registrars.
- (5) The register of interests of the Directors and connected persons in the share capital of the Company is available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays and public holidays excepted). It will also be available for inspection at the Extraordinary General Meeting.



