Application has been made for the Ordinary Shares to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. Further, the London Stock Exchange has not itself approved the contents of this document. The Ordinary Shares are not dealt on any other recognised investment exchange and no other such applications have been made.

A copy of this document, which comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995, has been delivered to the Registrar of Companies in accordance with regulation 4(2) of those regulations. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

NewMedia SPARK plc

Placing of 30,000,000 Ordinary Shares at 10p per share

and

Admission to trading on the Alternative Investment Market

PEEL, HUNT & COMPANY LIMITED

NOMINATED ADVISER AND NOMINATED BROKER

The Placing is conditional, *inter alia*, on Admission taking place on or before 28 October 1999 (or such later date as the Company and Peel Hunt may agree). The Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

The Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors, the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

Peel Hunt, which is regulated by The Securities and Futures Authority Limited, is acting as the Company's nominated adviser in connection with the proposed admission of the Company's Ordinary Shares to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Peel Hunt will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placings or any acquisition of shares in the Company.

CONTENTS

DEFINITIONS

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

''10iNVEST''	10Invest.com plc
''Act''	the Companies Act 1985
''Admission''	the admission of the ordinary share capital to trading on AIM becoming effective in accordance with the AIM Rules
''AIM''	the Alternative Investment Market of the London Stock Exchange
''AIM Rules''	the rules set out in Chapter 16 of the Rules of the London Stock Exchange
''Board''	the board of directors of the Company
''Company'' or ''SPARK''	NewMedia SPARK plc
''Directors''	the directors of the Company, whose names are set out on page 4
''Founder Agreements''	the agreements dated 20 October 1999 between the Company and each of NewMedia, GlobalNet and 10iNVEST, further details of which are set out in paragraph 9 of Part III
''Founders''	NewMedia, GlobalNet, 10iNVEST, Michael Whitaker and Luke Johnson
''Founder Shareholders''	the Founders and certain other persons associated with them
''Founder Shares''	80,000,000 Ordinary Shares subscribed by the Founder Shareholders and certain other individuals at a price of 2.5p per Ordinary Share
''GlobalNet''	GlobalNetFinancial.com Inc.
''ISP''	Internet Service Provider
''London Stock Exchange''	London Stock Exchange Limited
''NewMedia''	NewMedia Investors Limited
''Ordinary Shares''	ordinary shares of 2.5p each in the Company
''Peel Hunt''	Peel, Hunt & Company Limited
''Placing''	the placing by Peel Hunt of 30,000,000 new Ordinary Shares at 10p each
''Placing Agreement''	the conditional agreement dated 20 October 1999, between the Company, Peel Hunt and the Directors relating to the Placing and Admission, further details of which are set out in paragraph 10 of Part III
''portal''	a website which is a first port of call for visitors with particular interests, and which provides a route to other websites, as well as carrying its own content
''Warrants''	warrants to subscribe for Ordinary Shares on the terms summarised in paragraph 6 of Part III

DIRECTORS AND ADVISERS

Directors	**Thomas Alfred Teichman** (Executive Chairman) **Michael Keith Whitaker** (Chief Executive Officer) **Andrew Bruce Carruthers** (Chief Operating Officer) **Luke Oliver Johnson** (Non-Executive) **Stanley Hollander** (Non-Executive) **Ronald Benjamin Koenig** (Non-Executive)
Secretary	**Andrew Bruce Carruthers**
	all of
Registered Office	50 Stratton Street London W1X 6NX
Nominated Adviser and Nominated Broker	**Peel, Hunt & Company Limited** 62 Threadneedle Street London EC2R 8HP
Auditors and Reporting Accountants	**Deloitte & Touche** Hill House 1 Little New Street London EC4A 3TR
Solicitors to the Company	**Nabarro Nathanson** 50 Stratton Street London W1X 6NX
Solicitors to the Nominated Adviser	**Theodore Goddard** 150 Aldersgate Street London EC1A 4EJ
Bankers	**The Royal Bank of Scotland plc** 62-63 Threadneedle Street London EC2R 8LA
Registrars	**IRG plc** Balfour House 390/398 High Road Ilford Essex IG1 1NQ

PART I

INFORMATION ON THE COMPANY

Introduction

SPARK is a new company formed to make early stage investments in high technology and Internet based companies The purpose of the Placing is to provide the Company with the necessary funds to make its initial investments and to pay the costs associated with research, due diligence, operational support and consulting for investee companies.

Background to the establishment of the Company

The Founders are drawn from a diverse range of backgrounds and the Directors believe that, together, they have the ability to develop investment opportunities which have the potential to generate significant capital returns for shareholders.

NewMedia, which is SFA regulated, was formed in 1996 as a niche corporate finance and investment house focused on the technology sector. In the past three years it has completed in excess of 20 corporate finance transactions, which included arranging financing for companies across a diverse range of technologies from e-commerce (http://www.lastminute.com) to software (http://www.systemc.com), online publishing (http://www.wgsn.com), web broadcasting (http://www.silicon.com), computer games (http://www.argonaut.com) and computer chip design (http://www.arccores.com). NewMedia currently has a team of fifteen personnel from backgrounds ranging across the investment banking, television, online publishing, private equity, journalism and health industries. It has developed a strong deal flow in the sector and was a founder sponsor of First Tuesday, the Internet networking organisation. In order to take advantage of this deal flow, the Company has entered into an agreement with NewMedia whereby NewMedia will provide the Company with information in relation to all relevant investment opportunities presented to it and will provide corporate finance advice, incubation services and ongoing strategic and operational consulting for SPARK's investee companies for an initial period of three years, subject to earlier termination by either party on one year's notice. In addition, NewMedia has granted SPARK, for nil consideration, an option to subscribe for 6,688 shares in NewMedia for an aggregate subscription price of £2,000,000, which is equal to 10 per cent. of the current issued share capital of NewMedia. Further details of this agreement are set out in paragraph 9(a) of Part III.

GlobalNet is an international multimedia provider of online financial services and content covering investment issues, ideas and trends. It currently operates financial websites covering the financial markets in the UK (where it is the exclusive provider of financial information pages to Freeserve) and the finance market in the United States. GlobalNet is working in conjunction with WorldOnline, a leading pan-European ISP, with a view to launching sites covering the financial markets in France, Germany, Denmark and Holland and is also developing financial sites covering Italy and Canada. Its strategy is to capture on-line trading executions generated by investors, insurance, on-line banking and on-line mortgage provision utilising GlobalNet's content and investment tools. The Directors believe that GlobalNet is well placed to become one of the leading Internet financial portals world-wide and that its expertise and contacts within the Internet industry will be of assistance both to the Company and to its investee companies. GlobalNet has entered into an agreement to provide certain services to SPARK, including the services of GlobalNet Corporate Finance based in Florida and California to offer corporate finance advice and incubation services, where required, in the USA. In addition, GlobalNet has granted SPARK, for nil consideration, an option to subscribe for 330,000 shares in GlobalNet at a subscription price of US$20 each. Further details of this agreement are set out in paragraph 9(b) of Part III.

Michael Whitaker was the former Chief Executive and one of the founders of Collins Stewart Limited, a leading smaller companies stockbroker. In conjunction with NewMedia and Luke

Johnson, Michael Whitaker is in the process of establishing 10iNVEST, a company founded to deliver private equity investment opportunities to private investors via the Internet. 10iNVEST is currently seeking regulatory approval for its proposed activities. 10iNVEST has entered into an agreement with SPARK under which 10iNVEST will provide SPARK's investee companies with share distribution and other financial services. In addition, 10iNVEST has granted, for nil consideration, two options to SPARK to subscribe for shares in 10iNVEST. The first option runs for six months from the date of the agreement and allows the Company to subscribe for 14,207 shares in 10iNVEST at a subscription price of £35.20 per share, which is equal to 5 per cent. of the current issued share capital of 10iNVEST and values 10iNVEST at £10 million. The second option runs for two years from the date of the agreement and allows the Company to subscribe for 28,414 shares in 10iNVEST at a subscription price of £70.40 per share. Further details of this agreement are set out in paragraph 9(c) of Part III.

Each of NewMedia, GlobalNet and 10iNVEST has agreed to offer investment participation to SPARK in all appropriate investment opportunities that they generate for a period of three years. The options which have been granted to SPARK to purchase a shareholding in each of NewMedia, GlobalNet and 10iNVEST are intended to ally the interests of SPARK with those of its founders and partner companies. In addition, if the value of any or all of NewMedia, GlobalNet or 10iNVEST rises significantly then these options could become of substantial value to SPARK.

The Founder Shareholders and certain other individuals have subscribed £2 million in aggregate in respect of the Founder Shares. Details of the holdings of the Founders are set out in paragraphs 2(a) and 3 of Part III.

Strategy and prospects

According to the Morgan Stanley Dean Witter European Internet Report (June 1999) European Internet usage appears to be at the same point as the USA three years ago (Estats, eAmericas Report, August 1999) and is poised for substantial growth. The number of users is projected to triple over the next few years to reach 100 million, thereby driving the growth of consumer spending alone at European sites to $5 billion by 2002. The Directors anticipate that the effects of this growth will be to generate a wide range of opportunities, not only for companies providing the software, media content, ecommerce (online sales) and data communication services for the Internet, but also those providing software applications for business processes that are evolving to meet the changing demands on them.

The Directors believe that the highest rate of return in Internet investment will be achieved by investing in early stage companies, often at the start-up stage. However such companies often require substantial operational support and guidance in addition to finance, and hence where appropriate the Company will provide management and marketing support, assistance with strategic alliances, and access to personnel with the relevant skills – either directly or through its partners. SPARK will also where appropriate provide its investee companies with infrastructure services during the early days of their operation, such as office space, secretarial support, high speed Internet access, telecommunications services, accounting and tax support.

The Company will also, where appropriate, make investments in later stage companies or in joint ventures with established conventional businesses seeking to leverage their brand or infrastructure into the Internet environment. The Directors believe that there will be considerable consolidation in the Internet and software industries during the next few years, and the Directors will seek to use this process to find opportunities both to realise investments and to make strategic acquisitions.

As the Company develops its activities and investments, the Directors anticipate raising further significant sums through share issues to fund this development. In order to give the Directors the flexibility to take advantage of investment opportunities as they arise, the

Directors have been granted authority under sections 80 and 95 of the Act to issue the remainder of the authorised but unissued share capital of the Company.

Each of NewMedia, GlobalNet and 10iNVEST has undertaken to provide details of all relevant investment opportunities received by it to SPARK. NewMedia alone is currently receiving up to five proposals per day.

Details of the Placing

Peel Hunt has conditionally placed 30,000,000 Ordinary Shares, as agent for the Company, with investors at 10p per share. The Placing, which is not underwritten, is conditional upon the admission of the Ordinary Shares to trading on AIM by 28 October 1999, or such later time as Peel Hunt and the Company agree.

The Placing is intended to raise £3 million, before expenses. After expenses of the Placing and Admission, estimated in total at £140,000, excluding VAT, the Placing is intended to raise £2.86 million net. The net funds, together with the Company's existing cash resources, will be used to make initial investments and to pay the costs associated with research, due diligence, operational support and consulting for investee companies.

It is expected that the proceeds of the Placing will be received on or before 27 October 1999. CREST accounts will be credited, and certificates in respect of the Ordinary Shares despatched by post, on the date of Admission. Pending receipt by shareholders of definitive share certificates, the Company's registrars will certify any instruments of transfer against the register.

Directors

The Board of SPARK will initially comprise six directors, three executive and three non-executive. In addition, the Board intends to appoint an Advisory Committee which will comprise individuals with specific technical, financial and marketing knowledge as a resource upon which the Board may call in relation to its investment decisions.

The Directors are:

Thomas Teichman (Executive Chairman), aged 51, is the Chairman and founder of NewMedia in London and is on the Board of several high tech companies such as The Last Minute Network, Argonaut, Advanced Visual Technology and System C. He formed NewMedia to facilitate investment in the UK technology industry after leaving his post as Head of Corporate Strategy at MAID in 1996. Mr Teichman has been investing in early stage private companies for the last 15 years and was a significant founder investor in MAID in 1985, where he first served as vice-Chairman and later joined full time as an executive director to lead the team which took MAID to the London Stock Exchange and later NASDAQ. Prior to joining MAID (now The Dialog Corporation), Mr Teichman held a series of commercial and investment banking positions over a period of 23 years with Bankers Trust Company, William Brandt's Sons and Credit Suisse, and at Mitsubishi Finance International and Bank of Montreal Nesbitt Thomson, at both of which he was head of Corporate Finance.

Michael Whitaker (Chief Executive Officer), aged 44, is the Chief Executive Officer and founder of 10iNVEST. Mr Whitaker was until July 1999 Chief Executive of Collins Stewart, a substantial UK institutional stockbroking firm. Mr Whitaker was a joint founder of Collins Stewart in 1991, acting in turn as Finance Director and Chief Executive and carrying out various executive roles in corporate finance and fund management. Prior to founding Collins Stewart, Mr Whitaker was a leading technology analyst, corporate financier and partner at the London stockbroking firm Simon & Coates which was sold to Chase Manhattan in 1986. In his roles at Simon & Coates, Chase Manhattan and Collins Stewart, Mr Whitaker has had extensive experience of evaluating technology company investments and in advising such companies in relation to fund-raising and flotation. He has been involved in the flotation of over 20 technology companies on both the Official List and AIM.

Andrew Carruthers (Chief Operating Officer), aged 32, is a director of NewMedia, where he has been responsible for arranging investments and transactions in ecommerce, online publishing, web broadcasting and software. He has completed investments both as principal and from placings with other institutions including Intel, Advent, Global Retail Partners and Deutche Telekom's Venture Fund. He was a director and founder investor in Oasis Media, an independent television production and publicity company. Prior to joining NewMedia, Mr Carruthers was Financial Director and head of technology for the Oxford Analytica group, an online publishing and consulting company based in the UK, the US and France. As such he managed the company's development of technology platforms to support Internet, Intranet and Extranet delivery systems for clients that included the World Bank, the United Nations, the European Union and many national governments. Mr Carruthers qualified as a chartered accountant with KPMG in London working within their Corporate Finance practice on transactions and valuations.

Luke Johnson (Non-Executive), aged 37, is the non-executive chairman of Belgo Group. He is the manager and founder of Intrinsic Value, a listed investment trust which invests in both private equity and quoted situations. He has over 15 years of experience of making investments in public and private companies. He worked as a stockbroking analyst at Kleinwort Benson Securities from 1984 to 1988, and has subsequently served as a director of a number of public companies. He served variously as an executive director, Chairman and non-executive director of Pizza Express from 1993 to 1999. He has been involved in the flotation and subsequent sale of various public companies including American Port Services, Abacus Recruitment and My Kinda Town. In all these cases he served as a non-executive director. In the last ten years he has also been involved in a number of private equity transactions as principal across a range of industries. He serves as a non-executive director of Elderstreet Downing VCT, which raised £15 million in April 1998, and has made a number of investments in early stage technology companies.

Stanley Hollander (Non-Executive), aged 61, is the President and co-Chief Executive of GlobalNet. He has served as Senior Vice President and a director of GlobalNet since 1997 and President and a director of International Capital Growth Limited since March 1996. He is a director of a number of public and private companies including MicroCap1000.com Limited, Emerging Growth Acquisition Corporation I and Capital Growth International LLC. From December 1995 to October 1998 Mr Hollander was a director of Capital Media Group, a publicly held company. From 1989 to 1993 he served as a managing director and joint head of corporate finance at Gruntal and Co, Inc. From 1985 to 1989 he was a managing director of investment banking at Ladenburg Thalmann and Co, Inc. From 1979 to 1985 he was co-owner and vice president of Zemex Electronics-Stanlee, distributors of consumer electronics. From 1959 to 1979 Mr Hollander was president of All Brand Appliances Brandmart, distributors of consumer electronics.

Ronald Koenig (Non-Executive), aged 65, has been Chairman of GlobalNet since March 1997. He is a director of a number of public and private companies including MicroCap1000.com Limited, Emerging Growth Acquisition Corporation I and Capital Growth International LLC. From 1989 to 1993, Mr. Koenig was a Senior Managing Director and department head of corporate finance, jointly with Stanley Hollander at Gruntal & Co, Inc. From 1974 to 1985, Mr. Koenig was a Managing Director, and from 1985 to 1989, Chairman, of Ladenburg Thalmann & Co, Inc. From 1972 to 1974, he served as Vice President, Institutional Sales at Jas H Oliphant & Co, an institutional research boutique. From 1968 to 1972, he held a position in sales with Leif Werle & Co. Mr. Koenig currently serves on The Wharton School Undergraduate Executive Board and is on the business advisory board to Sterling National Bank & Trust Company of New York.

The Company currently has no employees other than the executive Directors.

Lock-in arrangements

The AIM Rules require each of the Directors to agree not to dispose of any interest in Ordinary Shares held by him on the date of Admission within a period of twelve months following such admission, save in certain specified circumstances.

The Founders and Directors have invested in the Company for the long-term. Accordingly, the Founders have agreed not to dispose of their interests within a period of two years following Admission unless such disposal is approved by the Company's Nominated Adviser. The Directors, in accordance with the AIM Rules, have agreed not to dispose of their interests in Ordinary Shares within a period of one year following Admission and, voluntarily, for a further period of one year unless such disposal is approved by the Company's Nominated Adviser.

Corporate governance

The Directors have established an audit committee and a remuneration committee comprising a majority of non-executive directors.

In addition, the Directors have agreed that in relation to any matters upon which any one or more of them may have a conflict of interest, the relevant Director or Directors will not take any part in the decision of the Board.

Initial dividend policy

The Directors do not intend to declare a dividend until either the Company's investee companies have reached sufficient profitability or disposals of investments make it prudent to do so.

Warrants

The Founders and certain other individuals, have been granted warrants to subscribe for new Ordinary Shares equal, in aggregate, to ten per cent. of the Company's shares in issue immediately prior to exercise at a subscription price of 10p per Ordinary Share.

Further details on the terms of the Warrants are set out in paragraph 6 of Part III.

Options over SPARK's investments

In view of the level of detailed consulting and advisory involvement anticipated with incubating start-up and early-stage companies, it will be necessary to recruit and retain the highest calibre of experienced individuals to provide this aspect of the Company's proposals. Such individuals are in heavy demand and tend to be motivated by equity involvement at least as much as by salary. The Directors therefore intend to offer options to staff or other persons (including members of the Advisory Committee) who have contributed to the Company's involvement in a particular investee company. These options will be over the Company's investment in the particular investee company and will be subject to a maximum of 20 per cent. of the Company's investment. The options will be over the Company's holdings and therefore the Company will retain full control over the investment until such time as the investment is realised.

Year 2000

The Directors believe that there are no Year 2000 issues likely to have a material impact on the Company.

Risk factors

Investment in SPARK could involve significant risks for a number of reasons including the following:

- The success of the Company depends heavily on the expertise of the Directors, the availability of businesses that meet the Company's investment criteria and the ability of the Founders to negotiate investments on attractive terms.

- The Internet and software sectors are experiencing a period of rapid change and are therefore subject to considerable volatility. In addition, the Internet is a new business arena where there are few established or, as yet, profitable companies. The combined effect of this volatility and immaturity in parts of the markets into which the Company will be making investments will substantially increase the risks associated with the stated objectives of the Company.
- The Internet in particular is attracting a high degree of interest from other sources of funding, both private and public. It is therefore likely that the Company will face increasing levels of competition for attractive investment opportunities and a corresponding rise in the cost of acquiring them.
- There will be no limits on the power of the Company to invest in shares of any company or companies and therefore no certainty that there will be a spread of investments such as would mitigate risk.
- The Company's activities are likely to remain cash flow negative for some time, and the future funding of the Company will depend both on the ability of the Company to raise further capital by the issue of its own shares and on the ability of the Company to realise its investments. There can be no certainty in either of these areas.
- Some investments may be in overseas currencies and therefore their value may be subject to exchange rate fluctuations.

The risks listed above do not necessarily comprise all those associated with an investment in the Company.

PART II

ACCOUNTANTS' REPORT ON THE COMPANY

The following is the text of a report received from the Company's reporting accountants, Deloitte & Touche:

The Directors
NewMedia SPARK plc
50 Stratton Street
London W1X 6NX

The Directors
Peel, Hunt & Company Limited
62 Threadneedle Street
London EC2R 8HP

20 October 1999

Dear Sirs

NewMedia SPARK plc (the "Company")

We report on the financial information set out below. This financial information has been prepared for inclusion in the prospectus dated 20 October 1999 relating to the admission of the Company to the Alternative Investment Market (the "Prospectus") .

Balance sheet of the Company at 15 October 1999

	£
Current assets	
Cash	2,000,000
Capital and reserves	
Called up share capital	2,000,000

Basis of preparation

The Company was incorporated on 26 July 1999 under the name of Targetwin plc. The name of the Company was changed to NewMedia SPARK plc on 8 October 1999 .

As at 15 October 1999 the Company had carried out no trading and the only transactions of the Company have been as follows:

- on incorporation, the authorised share capital of the Company was £100,000 representing 100,000 ordinary shares of £1 each. On incorporation, 2 ordinary shares of £1 each were issued at par, partly paid as to 25p per share. These were subsequently fully paid up on 15 October 1999;

- on 8 October 1999 the two issued ordinary shares were transferred to NewMedia Investors Limited and Andrew Carruthers and NewMedia Investors Limited;

- on 8 October 1999 a further 49,998 ordinary shares were issued to NewMedia Investors Limited, partly paid as to 25p per share. These were subsequently fully paid up on 15 October 1999;

- on 15 October 1999 the ordinary shares of £1 each were subdivided into ordinary shares of 2.5p each;
- on 15 October 1999 the authorised share capital of the Company was increased from £100,000 to £7,500,000 by the creation of a further 296,000,000 ordinary shares of 2.5p each; and
- on 15 October 1999 the issued share capital was increased to £2,000,000 by the cash subscription by NewMedia Investors Limited, GlobalNet Financial.com Inc, Michael Whitaker, Luke Johnson and other persons for 78,000,000 ordinary shares of 2.5p each.

No material contracts or other transactions have been entered into save for those detailed in paragraphs 9 and 10 of Part III of the Prospectus.

The Company has not yet traded and no dividends have been declared or paid.

The Company has not yet completed its first accounting period. No statutory financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation.

Responsibility

The financial information is the responsibility of the directors of the Company who approved its issue.

The directors of the Company are responsible for the contents of the Prospectus in which this report is included.

It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 15 October 1999.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Yours faithfully

Deloitte & Touche

Chartered Accountants

PART III

GENERAL INFORMATION

1. The Company and its share capital

(a) The Company was incorporated and registered in England and Wales as a public company limited by shares on 26 July 1999 under the Act with the name Targetwin plc and with registered number 3813450. On 12 October 1999 the Company's name was changed to NewMedia SPARK plc and it received a certificate under section 117 of the Act to allow it to trade. The principal place of business in the United Kingdom is set out on page 4 of this document.

(b) The authorised and issued share capital of the Company at the date of this document are as follows:

	Authorised		*Issued (fully paid)*	
	Number	£	*Number*	£
Ordinary Shares	300,000,000	7,500,000	80,000,000	2,000,000

(c) The Directors are authorised for the purposes of sections 80 and 89(1) of the Act to allot Ordinary Shares for cash or otherwise up to the maximum of the authorised but unissued share capital, such authority to expire on 15 October 2004.

(d) Following the Placing, the authorised and issued share capital of the Company will be as follows:

	Authorised		*Issued (fully paid)*	
	Number	£	*Number*	£
Ordinary Shares	300,000,000	7,500,000	110,000,000	2,750,000

In addition, warrants to subscribe for Ordinary Shares representing an aggregate of 10 per cent. of the issued share capital of the Company at the time of exercise have been issued by the Company. Further details of the Warrants are set out in paragraph 6 below.

2. Directors

(a) Interests in the share capital of the Company

The interests of the Directors and their immediate families and the interests of persons connected with the Directors for the purposes of section 346 of the Act in the issued ordinary share capital of the Company as at 19 October 1999 (being the latest practicable date prior to the publication of this document) (all of which are beneficial unless otherwise noted) (i) which have been notified by each Director to the Company pursuant to sections 324 or 328 of the Act, or (ii) which are required to be entered in the register maintained under section 325 of the Act or (iii) are interests of a connected person of a Director which would, if that connected person were a Director, be required to be disclosed under (i) and (ii) above and the existence of which is known to, or could with reasonable diligence be ascertained by, that Director, are, and immediately following Admission will be, as follows:

	As at 19 October 1999			Following the Placing		
	No. of Ordinary Shares	% of share capital	% of share capital attributable to Warrants	No. of Ordinary Shares	% of share capital	% of share capital attributable to Warrants
T A Teichman(1)	9,646,666	12.06	2.38	9,646,666	8.77	2.38
M K Whitaker(2)	13,133,320	16.42	1.65	13,133,320	11.94	1.65
A B Carruthers(3)	2,800,000	3.50	0.50	2,800,000	2.55	0.50
L O Johnson	11,333,320	14.17	1.70	11,333,320	10.30	1.70
S Hollander	–	–	–	600,000	0.55	–
R B Koenig	–	–	–	–	–	–

Notes:

1. T A Teichman is interested in 6,766,666 Ordinary Shares and in Warrants over 1.88 per cent. of the relevant share capital held in each case by New Media, of which he is a director and majority shareholder, and in 2,880,000 Ordinary Shares and in Warrants over 0.5 per cent. of the relevant share capital held in each case by the trustees of the Teichman Guernsey Settlement, of which he is a beneficiary.
2. These Ordinary Shares are held by Grey Holdings sprl, in which M K Whitaker is beneficially interested.
3. These Ordinary Shares and Warrants are held by the trustees of the Carruthers Retirement Annuity Trust, of which A B Carruthers is a beneficiary.

(b) **Directorships**

The Directors currently hold the following directorships and have held the following directorships within the five years prior to the publication of this document:

Thomas Teichman:

Current Directorships

Advanced Visual Technology Limited; Argonaut Software Limited; New Caledonian Residents Management Limited; Exquisite Carriages Limited; Last Minute Network Limited; NewMedia SPARK plc; 10Invest.com plc; NewMedia Investors Limited; Wellington Investments Limited; Wellington Pub Company plc.

Former directorships held in last five years

Hampton Securities Limited; The Apex Group Limited; Virtual Business Information Limited; The Dialog Corporation plc; Grovebase Limited; Cs.csiky Securities Limited.

Michael Whitaker:

Current Directorships

Fadcourt Limited; NewMedia SPARK plc; 10Invest.com plc; Stanbourne Limited; The Cobden Club plc.

Former directorships held in last five years

Collins Stewart & Company (Corporate Finance) Limited; Collins Stewart Limited; Colstew Nominees Limited; Gilsin Nominees Limited; Scol Nominees Limited; Sheffield Haworth Limited; City Index Limited; Collins Hitchcock Stewart Whitaker Limited; City Index (Holdings) Limited; City Index Market Makers Limited; Cost Nominees Limited.

Andrew Carruthers:

Current Directorships

Blaze Limited; NewMedia Investors Limited; NewMedia SPARK plc.

Former directorships held in last five years

Oasis Media Limited; The Financial Brief Limited; Analytica Limited.

Luke Johnson:

Current Directorships

4 x 4 Tyres Limited; Autostop Network Limited; BFG (UK) Limited; Belgo Group plc; JoltBurly Limited; Integrated Dental Holdings Limited; Elderstreet Downing VCT plc; International Tyre Brands Limited; Intrinsic Value Partnership Limited; Just Tyres Holdings Limited; Just Tyres Retail Limited; Main Road Properties Limited; NewMedia SPARK plc; 10Invest.com plc; Nightfreight plc; Rankcrown Limited; Roadhog (UK) Limited; Southam Tyres Limited; STS Flooring Distributors Limited; The Cobden Club plc; Third Stage Productions Limited; Whittard of Chelsea plc.

Former directorships held in last five years

Cash a Cheque Holdings Great Britain Limited; Income Tax Professionals Limited; Tecno Holdings Limited; PizzaExpress plc; PizzaExpress (Holdings) Limited; PizzaExpress (Soho) Limited; PizzaExpress (Franchises) Limited; American Port Services Holdings Limited; Stair Tread Supply Company Limited; Renbrace Limited; Abacus Recruitment plc; Utility Cable plc; American Port Services plc; Robinbury Limited; My Kinda Town plc; GiroVend Cashless Systems Limited; Sunday Business Newspapers Limited; Liberfabrica plc; Freeport Leisure plc; the J&O Investment Partnership Limited; Johnson Ross Services Limited; Johme Limited; Storedale plc; Utility Cable (subsidiary) Limited; Storedata Solutions plc; Benicia Ports Limited.

Stanley Hollander:

Current Directorships

Burginhall 1109 Limited; NewMedia SPARK plc; GlobalNetFinancial.com Inc; International Capital Growth Limited; MicroCap1000.com Limited; Emerging Growth Acquisition Corporation I; Capital Growth International LLC; Italia-iNvest.com SpA; UK Wire Limited; UK-iNvest.com Limited; Insurance City.com Services Limited.

Former directorships held in last five years

Specialized Health Products Inc; Capital Media Group Limited; Biosafe Europe Limited.

Ronald Koenig:

Current Directorships

GlobalNetFinancial.com Inc; Capital Growth International, LLC; Emerging Growth Acquisition Corporation I; International Capital Growth Limited; MicroCap1000.com Limited; NewMedia SPARK plc.

(c) **Receiverships and liquidations**

(i) L O Johnson was non-executive chairman of Income Tax Professionals Limited, a provider of accountancy services, when it was placed in voluntary liquidation in May 1999. Mr Johnson resigned as a non-executive director of Utility Cable plc in May 1998. That company was placed in administrative receivership on 14 September 1998. The current position of these companies is unknown.

Robinbury Limited, of which Mr Johnson was also a director, is now in liquidation, following a solvent reconstruction. Mr Johnson was a director of Sunday Business Newspapers Limited between December 1996 and 11 March 1997. Administrative receivers were appointed to that company on 22 July 1997. As at 28 May 1998 the shortfall to creditors was £2,511,904. The current position is unknown.

Mr Johnson was non-executive director of English Classic Cars Limited which was placed in insolvent liquidation in 1992 with a shortfall to creditors of approximately £3 million.

(ii) T A Teichman was a non-executive director (appointed to represent his then employers BMO Nesbitt Thomson Limited) of Town & County Limited. He resigned on 14 October 1991. That company was placed in administrative receivership on 6 December 1991. The current position is unknown.

(d) **Directors' service agreements**

Each of the executive Directors is employed under a service agreement which is terminable by either party on six months' notice and is required to work such hours as are reasonably required by the Board. Each of the executive Directors receives an annual salary of £5,000. At an appropriate stage of the Company's development, this may be reviewed together with the provision of other benefits.

Each of the non-executive Directors is engaged for an initial fixed term of one year and thereafter the engagement will continue until terminated by either party on three months' notice. Each non-executive Director receives an annual fee of £5,000.

(e) **Estimate of remuneration**

The total remuneration of the Directors in respect of the financial period ending 31 March 2000 is estimated to amount to £13,750.

3. Substantial shareholders

In addition to the holdings of certain of the Directors, details of which are set out in paragraph 2(a) above, the Directors are aware of the following holdings of Ordinary Shares which, at 19 October 1999 (being the latest practicable date prior to the publication of this document), represented more than 3 per cent. of the Company's share capital:

	As at 19 October 1999			*Following the Placing*		
	No. of Ordinary Shares	*% of share capital*	*% of share capital attributable to Warrants*	*No. of Ordinary Shares*	*% of share capital*	*% of share capital attributable to Warrants*
GlobalNet	26,666,400	33.33	2.00	26,666,400	24.24	2.00
NewMedia	6,766,666	8.46	1.88	6,766,666	6.15	1.88
Kinde & Co Limited	3,200,000	4.00	0.50	3,200,000	2.91	0.50

The Directors are not aware of any persons, other than the Founders, who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

4. Memorandum of Association

The objects of the Company are set out in clause 4 of the Company's Memorandum of Association and its principal objectives are, amongst others, to carry on the business of a general commercial company.

5. Articles of Association

The Articles of Association of the Company contain, *inter alia*, the following provisions relating to the rights attaching to Ordinary Shares:

(a) **Transferability**

A transfer of shares shall be effected by transfer in writing in the usual common form or in any other form approved by the Board. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered into the register of members in respect thereof.

Where a notice is served under section 212 of the Act on a member or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the ''Default Shares'', which includes any shares issued after the date of the notice in respect of those shares) to give the Company the information required within 14 days from the date of service of the section 212 notice and such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class, then, unless the Board otherwise decides, no transfer of any of the Default Shares shall be registered unless the transfer is an ''exempted transfer'' (as defined in the Articles) or the member is not himself in default in supplying the information required and the member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

The Board may, in its absolute discretion and without assigning any reason, refuse to recognise any instrument of transfer unless it is:

(i) duly stamped (if required) and is deposited at the office of the Company's registrars of such other place as the Board may appoint, and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) in respect of only one class of share; and

(iii) in favour of not more than four transferees except in the case of executors or trustees of a deceased member.

The Board may impose restrictions on the transfer of shares which are not fully paid, provided the restrictions are not such as to prevent dealings in the shares from taking place on an open and proper basis.

(b) Voting rights

On a show of hands every member who is present in person or being a corporation is represented by a duly authorised representative and in each case is entitled to vote shall have one vote and upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him.

(c) Dividends

Subject to any preferential or other special rights attached to any shares issued by the Company the profits of the Company available for dividend and which the Company shall so determine to distribute by way of dividend shall be apportioned and paid to the members entitled thereto proportionately to the amounts paid up on the shares. Any dividend unclaimed after a period of twelve years from the date such dividend is payable shall be forfeited and shall revert to the Company.

(d) Distribution of assets on winding-up

If the Company is wound up, the liquidator may, with the authority of an extraordinary resolution, subject to any sanctuary required by law, divide among the members in specie the whole or any part of the assets of the Company and may, in accordance with their other existing rights of the member, determine how such division shall be carried out as between different classes of members (if any).

(e) Variation of class rights and changes in capital

Whenever the capital is divided into different classes of shares, all or any of the rights or privileges attached to any class of share may, subject to the provisions of the Companies Act 1989 and the Uncertificated Securities Regulations 1995 (the ''Statutes''), be modified varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class and then only subject to the provisions of section 127 of the Act. At any such separate general meeting (other than an adjourned meeting) the necessary quorum is two persons personally present and holding or representing either by proxy or as the duly authorised representative of a corporate member one third of the capital paid up on the issued shares of the class in question.

The Company in general meeting may by ordinary resolution:

(i) consolidate and divide all or any of its share capital into shares of a larger amount;

(ii) sub-divide its share capital into shares of a smaller amount;

(iii) cancel any shares which at the date of passing of the resolution have not been taken up or agreed to be taken up by any person and diminish its authorised share capital by the amount of the shares so cancelled; and

(iv) subject to the Statutes, increase its authorised share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe and may by that resolution determine that the shares resulting from such dub-division may have preferred or other special rights or be subject to any restrictions, as compared with the others.

The Company may in general meeting with the sanction of a special resolution and subject to the Statutes and to the rights attached to existing shares, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account.

6. Terms of the Warrants

The Warrants were issued pursuant to a warrant instrument dated 20 October 1999. The Warrants are exerciseable at any time between the first and fifth anniversaries of Admission. The Warrants give the holders collectively the right to subscribe for Ordinary Shares equal in aggregate to 10 per cent. of the Ordinary Shares in issue immediately prior to exercise at a subscription price of 10p per Ordinary Share. The Warrants are freely transferable but will not be admitted to trading on AIM or any recognised investment exchange. The Warrants may be exercised in whole or in part at any time during the exercise period. However, no partial exercise shall be over less than 0.05 per cent. of the Company's issued ordinary share capital.

7. Working capital

In the opinion of the Company, having made due and careful enquiry, the working capital available to the Company will, from Admission, be sufficient for its present requirements, that is for at least twelve months following the date of this document.

8. Taxation

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. This summary is not a substitute for the investor obtaining professional advice before applying for shares. An investor who is in any doubt as to his or her tax position or is subject to tax in any jurisdiction other than the UK should consult his or her professional adviser without delay.

(a) Dividends

Individual shareholders whose income is within the lower or basic rate bands are liable to tax at 10 per cent. on their gross dividend income. Individual shareholders resident for tax purposes in the UK are entitled to a tax credit of an amount equal to 10 per cent. of the aggregate of the dividend and the tax credit. The effect of this is that the tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands. Shareholders liable to higher rate tax (currently at a rate of 40 per cent.) have a liability to income tax of 32.5 per cent. of the aggregate of the dividend and the 10 per cent. tax credit received, of which 10 per cent. will have been satisfied by the tax credit.

A corporate shareholder resident for tax purposes in the UK will not be chargeable to UK corporation tax on any dividend received from the Company and will normally be able to treat any such dividend as franked investment income.

Since 2 July 1997, pension providers and most UK corporate shareholders (including authorised unit trusts and open-ended investment companies) have not been entitled to repayment of the tax credits attaching to dividends from UK companies.

Subject to certain exceptions for Commonwealth citizens and citizens of countries within the European Union, residents of the Isle of Man or Channel Islands and certain others, a shareholder who is not resident for tax purposes in the UK is not generally entitled to the benefit of a tax credit on any dividend received from the Company. Such a shareholder may be entitled to claim a payment of a proper proportion of such tax credit from the Inland Revenue but this will depend in general on the terms of any applicable double taxation convention or agreement between the UK and his country of residence for tax purposes. Any such shareholder should consult his tax adviser as to whether or not he is entitled to reclaim any part of the tax credit, the procedure for claiming payment and what relief or credit may be available in the jurisdiction in which he is resident for tax purposes.

UK resident trustees of discretionary trusts are liable to income tax on UK company dividends at 25 per cent. of the gross dividend. After taking into account the 10 per cent. tax credit, the trustees will be liable to additional income tax of 15 per cent. of the gross dividend.

(b) **Stamp Duty and Stamp Duty Reserve Tax**

Under current UK legislation relating to stamp duty and stamp duty reserve tax:

(i) no liability to stamp duty or stamp duty reserve tax should arise on the allotment of Ordinary Shares by the Company under the Placing;

(ii) a transfer or sale of Ordinary Shares otherwise than pursuant to the Placing will generally be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration. Where an agreement to transfer such shares is not completed by a duly stamped instrument of transfer, a charge of stamp duty reserve tax (generally at the same rate) may arise; and

(iii) special rules apply to market-makers, broker-dealers and certain other persons. Agreements to transfer shares to charities will not give rise to stamp duty reserve tax or stamp duty.

(c) **Disposal of shares acquired under the Placing**

If a shareholder subsequently disposes of all or any of the Ordinary Shares acquired under the Placing, then that Shareholder may, depending upon his individual circumstances and the availability of any relevant reliefs, incur a liability to United Kingdom taxation on chargeable gains.

9. Founder Agreements

(a) An agreement dated 20 October 1999 between (1) the Company and (2) NewMedia under which NewMedia has agreed to provide the Company with information and advice in relation to any relevant investment opportunities of which NewMedia becomes aware and to provide corporate finance advice, incubation services and on-going strategic and operational consulting for the Company's investee companies for annual fees of 2 per cent. of net funds raised by the Company and 2 per cent. of any net gain generated which is then reinvested in new investments together with an arrangement fee of 1 per cent. (subject to a minimum of £30,000) of the value of any investment made by the Company where NewMedia is acting for the Company. The agreement is for an initial period of three years, subject to termination at any time by either party giving one year's notice. In addition, the Company has been granted, for nil consideration, an option to subscribe for 6,688 shares in NewMedia at an aggregate subscription price of £2,000,000. This option is exerciseable at any time within two years of the date of this agreement and is subject to adjustment on a variation of the share capital of NewMedia.

(b) An agreement dated 20 October 1999 between (1) the Company and (2) GlobalNet pursuant to which GlobalNet has agreed to provide certain services to the Company including the services of GlobalNet Corporate Finance to offer corporate finance advice and incubation services where required in the US for fees to be agreed with the Company in relation to each investment for which GlobalNet provides services to the Company. The agreement shall continue until it is terminated by one year's written notice by either party. In addition, the Company has been granted, for nil consideration, an option to subscribe for 330,000 shares in GlobalNet at a subscription price of US$20 per share. This option is exerciseable at any time within two years of the date of this agreement and is subject to adjustment on a variation of the share capital of GlobalNet.

(c) An agreement dated 20 October 1999 between (1) the Company and (2) 10iNVEST pursuant to which 10invest has agreed, *inter alia*, to provide financial advice and on-line share distribution services to SPARK's investee companies in return for fees to be agreed with the Company. The agreement can be terminated by one year's written notice by either party, although the on-line share distribution services are to be provided for a period of at least five years from the date of the agreement. In addition 10iNVEST has granted, for nil consideration, two options to SPARK to subscribe for shares in 10iNVEST. The first option runs for six months from the date of the agreement and allows the Company to subscribe for 14,207 shares in 10iNVEST at a subscription price of £35.20 per share. The second option runs for two years from the date of the agreement and allows the Company to subscribe for 28,414 shares in 10iNVEST at a subscription price of £70.40 per share. These options are subject to adjustment on a variation of the share capital of 10iNVEST.

10. Placing Agreement

Under a composite placing and AIM admission agreement made between the Company, the Directors and Peel Hunt and dated 20 October 1999, Peel Hunt has agreed:

(a) as agent of the Company, to use reasonable endeavours to procure subscribers for up to 30,000,000 Ordinary Shares. The Placing Agreement provides, *inter alia*, for the payment by the Company to Peel Hunt, conditional upon Admission, of a commission of £20,000; and

(b) on behalf of the Company, to submit to the London Stock Exchange an application for Admission and to act as the Company's nominated adviser and nominated broker in respect of such application.

The obligations of the parties under the Placing Agreement are conditional upon certain conditions having been fulfilled (or waived by Peel Hunt) by 8.00 a.m. on 28 October 1999, or such later date as may be agreed by Peel Hunt and the Company. The agreement contains certain representations and warranties by the Company and the Directors as to the accuracy of the information contained in this document and other matters relating to the Company. Under the Placing Agreement and conditional upon Admission the Company shall pay to Peel Hunt for its services a fee of £50,000. In addition, the Company shall, subject to certain exceptions, indemnify Peel Hunt against all costs, losses, charges and expenses which Peel Hunt may suffer or incur as a result of, occasioned by or attributable to the carrying out of its duties under the Placing Agreement or otherwise in connection with the Placing and application for Admission.

11. Other information

(a) The expenses of the Placing are estimated at up to £140,000 (excluding VAT). The expenses are payable by the Company.

(b) The minimum amount which, in the opinion of the Directors, must be raised under the Placing to provide the sums required in respect of the matters specified in paragraph 21 of Schedule 1 of the Public Offers of Securities Regulations 1995 is £3 million made up as follows:

(i) the purchase price of any properties to be purchased which is to be defrayed in part out of the proceeds of the Placing – £nil;

(ii) preliminary expenses payable by the Company and commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for, any Ordinary Shares – £140,000 (excluding VAT);

(iii) the repayment of money borrowed by the Company in respect any of the matters referred to in (i) or (ii) above – £nil; and

(iv) working capital – £2.86 million.

The balance of the purchase price of property to be purchased, as referred to in sub-paragraph (i) above, is £nil.

(c) Copies of this document will be available to the public free of charge from the registered office of the Company, at 62 Threadneedle Street, London EC2R 8HP, during normal office hours, Saturdays and Sundays excepted, from the date of this document until a date 14 days following Admission.

20 October 1999

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