

Important - Erratum Notice



(Incorporated and registered in England and Wales under the Companies Acts 1985 and 1989)

(Registered No. 3187528)

Directors:

Christopher Charles Powell FCA (Chairman)
Christopher Snook (Chief Executive)
John Mark Waller FCA (Finance Director)
Steven Max Pearce (Non-Executive)

Registered Office:

Pennant Court
Staverton Technology Park
Cheltenham
Gloucestershire
GL51 6TL

26 April 2007

To Shareholders and, for information purposes only, to the holders of options under the Pennant share option schemes

Dear Sir or Madam,

Renewal of approval of waiver of obligations under Rule 9 of the City Code

I am writing in reference to the circular posted to shareholders dated 17 April 2007 (the "Circular") by Pennant International Group Plc ("Pennant"), relating to the renewal of approval of waiver of obligations under Rule 9 of the City Code, and the wording as follows, extracted from pages 4 and 5 of the Circular:

"Authority to purchase Ordinary Shares

...On 22 May 2006 the Company sold its entire holding of 434,000 Ordinary Shares. Between that date and the date of this document, the Company has made market purchases amounting to 468,000 Ordinary Shares and therefore has residual authority under the resolution passed by Shareholders on 4 May 2006 in respect of a further 4,266,900 Ordinary Shares. The Company may use some or all of this residual authority prior to the EGM. The shares bought back by the Company are held in treasury and any additional shares bought back by the Company hereafter may be held in treasury where they will be available for sale or to satisfy possible future requirements arising from the Group's share option scheme. This is the only holding of treasury shares the Company has as at the date of this document.

Information on Mr Powell and his Concert Party

Christopher Powell, the Chairman of the Company, members of his immediate family and pension funds established for his and his wife's benefit hold 10,301,533 Ordinary Shares, comprising 32.67 per cent. of the issued ordinary share capital of the Company.

Should the Company not buy back any more Ordinary Shares under the authority conferred by Shareholders on 4 May 2006, the number of Ordinary Shares in issue at the date of the EGM will remain at 31,532,000 and, accordingly, the proposed authority under the Buyback Resolution will be sought in respect of 4,729,800 Ordinary Shares. If the Company does not utilise any more of the existing authority from Shareholders to purchase Ordinary Shares but does purchase Ordinary Shares to the full extent of the authority to be conferred by the Buyback Resolution the aggregate number of Ordinary Shares in which Mr Powell and Mr Powell's Concert Party are interested, namely 10,301,533 Ordinary Shares would represent approximately 38.44 per cent. of the Ordinary Shares then in issue.

However, should the Company purchase the remaining 4,266,900 Ordinary Shares it is permitted to purchase under the resolution passed on 4 May 2006, the number of Ordinary Shares in issue at the date of the EGM will be 27,265,100 and accordingly the proposed authority under the Buyback Resolution will be sought in respect of 4,089,765 Ordinary Shares. If the Company does utilise the balance of the authority to purchase Ordinary Shares conferred by the resolution passed on 4 May 2006 and the full extent of the authority to be conferred by the Buyback Resolution, the interest of Mr Powell and Mr Powell's Concert Party in 10,301,533 Ordinary Shares would represent approximately 44.45 per cent. of the Ordinary Shares then in issue."

Purchases of 75,000 ordinary shares by the Company on 11 April 2007 to be held in treasury were not taken into account in the above figures, and therefore some of the ordinary share figures and resultant percentage calculations on pages 4 and 5 in the Circular, were incorrect.

Set out below is the wording above showing the amended and correct ordinary share figures and percentages, underlined and in bold:

"Authority to purchase Ordinary Shares

...On 22 May 2006 the Company sold its entire holding of 434,000 Ordinary Shares. Between that date and the date of this document, the Company has made market purchases amounting to **543,000** Ordinary Shares and therefore has residual authority under the resolution passed by Shareholders on 4 May 2006 in respect of a further **4,191,900** Ordinary Shares. The Company may use some or all of this residual authority prior to the EGM. The shares bought back by the Company are held in treasury and any additional shares bought back by the Company hereafter may be held in treasury where they will be available for sale or to satisfy possible future requirements arising from the Group's share option scheme. This is the only holding of treasury shares the Company has as at the date of this document.

Information on Mr Powell and his Concert Party

Christopher Powell, the Chairman of the Company, members of his immediate family and pension funds established for his and his wife's benefit hold 10,301,533 Ordinary Shares, comprising **32.75** per cent. of the issued ordinary share capital of the Company.

Should the Company not buy back any more Ordinary Shares under the authority conferred by Shareholders on 4 May 2006, the number of Ordinary Shares in issue at the date of the EGM will remain at **31,457,000** and, accordingly, the proposed authority under the Buyback Resolution will be sought in respect of **4,718,550** Ordinary Shares. If the Company does not utilise any more of the existing authority from Shareholders to purchase Ordinary Shares but does purchase Ordinary Shares to the full extent of the authority to be conferred by the Buyback Resolution the aggregate number of Ordinary Shares in which Mr Powell and Mr Powell's Concert Party are interested, namely 10,301,533 Ordinary Shares would represent approximately **38.53** per cent. of the Ordinary Shares then in issue.

However, should the Company purchase the remaining **4,191,900** Ordinary Shares it is permitted to purchase under the resolution passed on 4 May 2006, the number of Ordinary Shares in issue at the date of the EGM will be 27,265,100 and accordingly the proposed authority under the Buyback Resolution will be sought in respect of 4,089,765 Ordinary Shares. If the Company does utilise the balance of the authority to purchase Ordinary Shares conferred by the resolution passed on 4 May 2006 and the full extent of the authority to be conferred by the Buyback Resolution, the interest of Mr Powell and Mr Powell's Concert Party in 10,301,533 Ordinary Shares would represent approximately 44.45 per cent. of the Ordinary Shares then in issue."

Shareholders should note that under the buyback resolution passed at the 2006 AGM, Pennant may make market purchases at any time up until the 2007 AGM, when that current authority expires. Any market purchases made by the Company will be announced to the market, without delay, in accordance with the AIM Rules of the London Stock Exchange plc.

All definitions in this notice have the same meaning as those in the Circular, unless otherwise stated.

Yours faithfully

S Max Pearce

Non-Executive Director