A S I T E plc

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ASITE plc

Annual Report

2002

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for the year ended 31 December 2002

OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 31 December 2002

SECRETARY

Charles Woods

REGISTERED OFFICE

Leconfield House
Curzon Street
London W1J 5JA

NOMINATED ADVISER

Deloitte & Touche Corporate Finance
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

NOMINATED BROKER

Insinger Townsley
44 Worship Street
London EC2A 2JT

BANKERS

HSBC Bank plc
70 Pall Mall
London SW1Y 5EY

REGISTRARS

Capita IRG plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

AUDITORS

Deloitte & Touche
Chartered Accountants
London

CHAIRMAN'S STATEMENT

for the year ended 31 December 2002

Results and dividends

The Group has freed itself from the distractions of the non-core businesses that were disposed of at the end of the previous year. As a result the Board was able to focus on organising its principal subsidiary, Asite Solutions Limited ("Asite") for the long-term. The groundwork for achieving this has now all been put in place, including significant changes to the structure of the Board, the Group's underlying cost structure and its technologies.

Software product development will become the foundation of the intellectual property of the business and the basis of how we progress to serve the market. Consequently in 2003 the appropriate software product development expenditure will be recognised in the accounts as a tangible fixed asset.

The Group's pre-tax loss of £5.4m compares with the £8.4m loss of the previous year. The loss reflects the significant investment made in Asite. The loss per share was 4.7p compared with 12.3p in the previous year. The directors are satisfied with the position of the companies within the Group at 31 December 2002 and do not anticipate any significant deterioration in trading in the coming year. The Board is not recommending a dividend this year (2001 £nil).

Development of the Group

Following the extensive re-structuring of the Group in previous years, 2002 was a time for consolidation, adjustment of the cost base and controlled organic growth. Whilst no specific acquisitions are currently agreed, the market in which Asite operates is rapidly changing and the Board will consider opportunities as they arise.

Four Directors remained in post throughout the year, including myself, Walter Goldsmith (Deputy Chairman), and Non-Executives Peter Rogers of Stanhope plc and Robert Tchenguiz of Rotch Property Group Limited.

Tom Dengenis joined during the year as Chief Operating Officer, before being promoted to Group Chief Executive in January 2003. Alastair Mellon has left the Group to rejoin the construction industry, and Mathew Riley (Commercial Director, Terminal 5) replaced Andrew Wolstenholme as BAA plc's Non-Executive Director. Charles Woods moved into the position of Non-Executive Finance Director.

We completed the cost restructuring of our core technology licence, which provides Asite's web services and portal management components, the foundation elements to our technology. The licence is now perpetual and fully paid and so has eliminated a future liability in excess of £2.8m. Similar restructuring of the cost of our production hosting service has also now been concluded.

This was driven by a change in emphasis away from transaction and project based revenue model towards revenue derived from the provision of services. These services include collaboration, tender, contract administration, cost management, community and scheduling as well as buy/supply and other support applications to the customer enterprise.

This required a substantial increase in investment in our technology and in the development of these new product offerings. The key objective in doing so was to own our core technology assets and reduce the emphasis on reseller agreements.

At the same time turnover from our ongoing business has continued to grow to £1.6m from £0.3m in the previous year.

Asite's business model is now firmly geared towards the provision of technology and the development of intellectual property assets, which answer the market's demand for software that clearly results in competitive advantages for our customers – in terms of increased profits and reduced process costs.

CHAIRMAN'S STATEMENT

for the year ended 31 December 2002

Operational review

Asite has focused on clarifying its strategic direction, as it refines its relevance and value to the market it serves – namely facilitating the exchange of information throughout the construction industry supply chain, enabling the essential transparency and efficiency that the market continually needs to improve. Asite has successfully re-engineered its technology platform and delivered one major new product release (Asite Tender) already in 2003.

A number of important new customers were acquired, including St George Securities, Whitbread, Grosvenor Estates and Birse Rail (in partnership with Network Rail) – and the organisation is dedicating much of its energy towards developing its business relationships with these early adopters, which are acknowledged as key to its future.

The Company has also succeeded in retaining the ongoing commitment of many of its original partners, including BAA, Stanhope and Laing O'Rourke who are now rolling-out Asite's solutions across their businesses – with measurable results and clear, direct economic benefits.

With solid growth coming from these deepening relationships (based on a demonstrable return on the investment in our software), the Board can see continued strength in our long-term contracted revenues. Having eliminated our long-term contractual trade liabilities and reduced other key expenses, thus significantly reducing the cost structure of the business, the Board anticipates monthly cash flow becoming positive in 2003. As described in note 1 to the accounts, the Company believes that it has adequate funding in place to reach the point where it will become self-funding.

Calling of an Extraordinary General Meeting under Section 142 of the Companies Act 1985

As at 27 June 2003, being the date of signing of the Company's balance sheet, the directors have felt it prudent to make provision in the Company's balance sheet against loans made available by Asite plc to Asite Solutions Limited of £9.7m. The effect of this provision is that the net assets of the Company are now less than half of its called up share capital. The directors are required under section 142 of the Companies Act 1985 (the "Act") to convene a general meeting of the company where the net assets of a public company are half or less of its called up share capital for the purpose of considering whether any, and if so what, steps should be taken to deal with the situation.

Accordingly, the directors have called an Extraordinary General Meeting to take place after the Annual General Meeting on 24 July 2003. The notice of the Extraordinary General Meeting, which will incorporate the business required under the provisions of section 142 of the Act, is included in this annual report.

The Company is continuing to operate within its borrowing facilities and Mr. Robert Tchenguiz continues to support the Company as described in note 1. The directors remain confident that Asite Solutions Limited will move ahead into a period of profitable trading and that all necessary steps have been taken to ensure its future success. The Company intends to continue with its current strategy subject to any matters that may be raised at the Extraordinary General Meeting.

Prospects

An important component of Asite's success will be it's Community programme (which already comprises hundreds of companies and over 3,000 individual users). Highlights include speakers from Laing O'Rourke and Wolseley at events in the first half of 2003. I am looking forward to taking part in the programme myself shortly to speak at our second anniversary dinner.

Asite has proven its software integration skills and experience during the last year, created a clear value proposition to the market, and is earning a significant customer base. This will mean we can further reduce the cash outflows in the business during 2003.

Given the good work of the executive team in reducing the cost base to a more sustainable level, I look forward to continuing progress. Whilst the construction industry Asite serves still faces many challenges, there is a growing appreciation of the role that Asite's technology can play in improving business performance.

Sir John Egan
Chairman

27 June 2003

DIRECTORS' REPORT

for the year ended 31 December 2002

The directors present their annual report and the audited financial statements for the year ended 31 December 2002

Principal activities

Asite plc is the parent Company of one trading subsidiary, Asite Solutions Limited.

Business Review

The principal activity of the Group is to operate a business to business internet portal for the construction industry and to provide support, integration and supply chain services to its users.
A review of the results for the year and future prospects is given in the Chairman's Statement.

Results and dividends

The loss for the period after taxation and minority interest amounted to £4,559,000 (2001 - £7,969,000 loss).
The directors do not recommend the payment of a final dividend (2001 - £nil).

Directors and directors' interests

The directors, all of whom held office during the year, were as follows:

Name	Position	Date of appointment	Date of resignation
Sir John Egan	Independent Chairman		
Walter Goldsmith	Independent Deputy Chairman		
Thomas Dengenis	Chief Executive Officer	22 October 2002	
Charles Woods	Finance Director, Non Executive		
Alastair Mellon	Director		8 April 2003
Robert Tchenguiz	Non-Executive Director		
Mathew Riley	Non-Executive Director	28 August 2002	
Peter Rogers	Non-Executive Director		
Andrew Wolstenholme	Non-Executive Director		28 August 2002

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company, including the shareholdings held by connected persons and in options under the Company's share option scheme at 31 December 2002 were as follows:

	At 31 December 2002		At 31 December 2001	
	Beneficial interest	Share options	Beneficial Interest	Share options
Sir J Egan	**750,000**	-	250,000	-
W K Goldsmith	**450,000**	**200,000**	350,000	200,000
T F Dengenis	**100,000**	**400,000**	-	-
C H Woods	**150,000**	**500,000**	150,000	500,000
A J Mellon	**360,000**	**400,000**	200,000	400,000
P Rogers	**100,000**	-	100,000	-

Directors' interests in contracts

There were no significant contracts in existence during or at the end of the period in which any director had a material interest.

DIRECTORS' REPORT (continued)

for the year ended 31 December 2002

Significant shareholdings

On 5 June 2003, the company had been notified, in accordance with section 198 to 208 of the Companies Act 1985, of the following interests in the ordinary share capital of the company:

	Shares	%
B&C Plaza Limited	26,607,062	25.85%
Plane Investment Limited	15,398,023	14.96%
Warrencity Invest Corp	10,831,941	10.53%
Stanhope plc	10,575,965	10.28%
Desmond & Helen Bocarro	3,703,937	3.60%

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the Company during the year.

Political and charitable contributions

No political contributions were made during the year (2001 - £Nil).

Policy on payment of Suppliers

The Group does not have a policy to follow any code or standard on payment practice. However, with respect to the financial year to 31 December 2002, the Group will continue to settle the terms of payment with its suppliers when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade creditors outstanding at 31 December 2002 represented 219 days (2001 – 65 days) trade purchases. This is calculated as the average trade creditors as a proportion of the daily cost of sales.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Deloitte & Touche has informed the directors that they are intending to transfer their business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. It is the current intention of the directors to use the Company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time.

Approved by the Board of Directors
and signed on behalf of the Board

Charles Woods
Secretary

27 June 2003

CORPORATE GOVERNANCE

for the year ended 31 December 2002

In January 1998, the Hampel Committee published its report on Corporate Governance, which was implemented by the London Stock Exchange as a Combined Code on 25 June 1998. The Combined Code requires that disclosures be made on how the fourteen principles of the Code have been applied (known as 'the appliance statement') and whether or not the Company has complied with these principles (known as 'the compliance statement'). The Combined Code is intended to promote the principles of openness, integrity and accountability.

Statement of compliance with the Code of Best Practice and applying the principles of good governance

The Company is committed to high standards of corporate governance throughout the Group. As an AIM Company, is not obliged to report its compliance with the Principles of Good Governance and Code of Best Practice published by the Committee on Corporate Governance ("The Combined Code"). Nonetheless, the Company is committed to meeting these principles as far as it reasonably can and the commentary below reflects the extent to which the Company has complied with The Combined Code during the period under review.

Board Effectiveness

The Board which is set up to control the Company and Group meets formally at least six times a year and currently comprises one executive and six non-executive directors. Two of the six non-executive directors, namely the Chairman, Sir John Egan, and the Deputy Chairman, Mr. Walter Goldsmith, are considered by the Board to be independent. The Board considers Sir John Egan to be the senior independent director.

Each Board meeting receives the latest financial information available, which consists of detailed management accounts with the relevant comparisons to budget. A current trading appraisal is given by the executive director.

The Board reserves to itself a range of key decisions to ensure it retains proper direction and control of the Group, whilst delegating authority to individual directors who are responsible for the day to day management of the business. In addition, all directors have access to the advice and services of the Company Secretary, and they can also seek independent professional advice if necessary at the Company's expense.

Board Appointments

In the event of a proposal to appoint a new director, this would be discussed at a full Board meeting, with each member being given the opportunity to meet the individual concerned prior to any formal decision being taken. As permitted by the Combined Code, due to the small size of the board, it is considered inappropriate to establish a Nomination Committee.

Chairman and Chief Executive

The Board has shown its commitment to dividing responsibility for running the Board and the business by appointing Sir John Egan as non-executive Chairman and senior independent director and Tom Dengenis as Chief Executive Officer.

Committees

The directors have delegated certain of their responsibilities to various committees, which operate within specific terms of reference and authority limits. The directors meet on a regular basis of at least every four weeks and deal with decisions that do not require full Board approval. The directors believe that this process for making business decisions provides sufficient division of responsibility to meet the requirements of the Combined Code.

The Audit and Remuneration Committees, which consist of the Deputy Chairman and at least one other non-executive director, meets at least twice a year.

CORPORATE GOVERNANCE (continued)

for the year ended 31 December 2002

Re-election of directors

Directors retire by rotation in accordance with the Company's Articles of Association, which prescribe that at every Annual General Meeting one third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. Non-executive directors are not appointed for specified terms, but in the case of Mr. Robert Tchenguiz, Mr. Peter Rogers and Mr. Mathew Riley their appointment is terminable with no specific notice period, and in the case of Sir John Egan and Mr. Walter Goldsmith their appointments are terminable on one months notice. On 30 September 2002 Mr. Charles Woods ceased to be an Executive Director and waived his rights under his 12 month service contract. On 1 October 2002 he entered into a contract as a Non-Executive Director expiring on 30 September 2005.

Shareholder relations

The directors meet and discuss the performance of the Group with shareholders during the year. Queries raised by a shareholder, either verbally or in writing, are promptly answered by whoever is best placed on the Board to so do.

Accountability and audit

The Board believes that the Annual Report and Accounts play an important part in presenting all shareholders with an assessment of the Group's position and prospects. This is achieved by the Chairman's Statement, which contains a detailed consideration of the Group's position and prospects.

REMUNERATION REPORT

This report should be read in conjunction with Note 5 to the accounts. The Remuneration Committee comprises the Deputy Chairman and two non-executive directors. The Committee meets at least twice a year and is responsible for reviewing the level and make-up of the remuneration of executive directors. The Committee seeks to encourage the enhancement of the Company's performance and to ensure that remuneration packages offered are competitive and designed to attract, retain and motivate executive directors of the right calibre and to reward them for enhancing value to shareholders. The grant of options under the Company's Executive Share Option Schemes is regularly considered as part of this policy. The service contracts of executive directors provide for a performance related element of remuneration but as yet there is no agreed scheme of performance by reference to which such remuneration should be calculated, and bonuses are paid at the discretion of the Remuneration Committee.

In framing remuneration policy, the Remuneration Committee has given full consideration to the requirements of the Combined Code appended to the Listing Rules of the London Stock Exchange.

Components of remuneration

The components of remuneration are:

a) Basic salary and benefits determined by the Remuneration Committee and reviewed annually; and
b) Performance related bonuses based upon improvements in earnings per share, profitability and market capitalisation of the group.

Service contracts

With the approval of the Remuneration Committee, certain directors are entitled, under their service agreements, to perform duties outside the group and to receive fees for those duties. The service contract of Mr. Thomas Dengenis as executive director, is terminable by either party to the other not less that twelve months notice in writing.

Non-Executive Directors

The remuneration of the non-executive directors is determined by the Board within the limits set out in the Articles of Association.

CORPORATE GOVERNANCE (continued)

for the year ended 31 December 2002

Audit Committee

The Audit Committee comprises the Company's Deputy Chairman and one non-executive director. The Committee meets at least twice a year and its duties include keeping under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the auditors.

Going concern

In compliance with the Listing Rules of the UK Listing Authority, after making appropriate enquiries, as described in note 1 to the accounts, the directors have reasonable expectations that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2002

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASITE PLC

for the year ended 31 December 2002

We have audited the financial statements of Asite plc for the year ended 31 December 2002 which comprise the consolidated profit and loss account, the consolidated balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes 1 to 28. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company and the group, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

In forming our opinion we have considered the adequacy of disclosures made in note 1 to the accounts concerning the uncertainty as to the continuation of financial support by one of the directors. The accounts do not include any adjustments which would arise if such support were not provided. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASITE PLC (continued)

for the year ended 31 December 2002

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche
Chartered Accountants and Registered Auditors
London

27 June 2003

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Note	2002 £'000	2002 £'000	2001 £'000	2001 £'000
TURNOVER					
Continuing operations:					
Turnover	3	1,575		307	
Discontinued operations:					
Turnover		24		4,779	
		1,599		5,086	
Revenue share		(469)		(130)	
Change in work in progress		-		(474)	
Net turnover			1,130		4,482
Staff costs	4		2,377		5,741
Depreciation and amortisation	8		2,245		1,307
Other operating charges			1,859		3,763
			6,481		10,811
OPERATING LOSS					
Continuing operations	6	(5,283)		(5,991)	
Discontinued operations	6	(68)		(338)	
			(5,351)		(6,329)
Loss on sale of discontinued operations	7		(11)		(1,991)
Interest payable less receivable	9		(29)		(34)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	10		(5,391)		(8,354)
Tax credit on loss on ordinary activities	11		71		27
LOSS ON ORDINARY ACTIVITES AFTER TAXATION			(5,320)		(8,327)
Minority interest	21		761		358
LOSS FOR THE FINANCIAL YEAR	20		(4,559)		(7,969)
Loss per share - basic & diluted	12		(4.7p)		(12.3p)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2002

Loss for the year			(4,559)		(7,969)
Gain arising on deemed disposal in subsidiaries			-		641
			(4,559)		(7,328)

CONSOLIDATED BALANCE SHEET

at 31 December 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Tangible assets	**13**	**-**	4,720
CURRENT ASSETS			
Stock		**-**	22
Debtors	**15**	**564**	800
Cash at bank		**89**	358
		653	1,180
CREDITORS: amounts falling due within one year	**16**	**(1,936)**	(2,699)
NET CURRENT LIABILITIES		**(1,283)**	(1,519)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,283)**	3,201
CREDITORS: amounts falling due after more than one year	**17**	**(2,632)**	(2,742)
EQUITY MINORITY INTERESTS		**1,761**	999
NET (LIABILITIES) / ASSETS		**(2,154)**	1,458
CAPITAL AND RESERVES			
Called up share capital	**19**	**10,291**	9,344
Share premium account	**20**	**2,442**	2,442
Profit and loss account	**20**	**(14,887)**	(10,328)
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		**(2,154)**	1,458

These financial statements were approved by the Board of Directors on 27 June 2003.
Signed on behalf of the Board of Directors

T F Dengenis

COMPANY BALANCE SHEET

at 31 December 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Tangible fixed assets	13	-	43
Investments	14	42	42
		42	85
CURRENT ASSETS			
Debtors	15	104	7,200
Cash at bank		73	358
		177	7,558
CREDITORS: amounts falling due within one year	16	(500)	(763)
NET CURRENT (LIABILITIES)/ASSETS		(323)	6,795
TOTAL ASSETS LESS CURRENT LIABILITIES		(281)	6,880
CREDITORS: amounts falling due after more than one year	17	(2,628)	-
NET (LIABILITIES)/ASSETS		(2,909)	6,880
CAPITAL AND RESERVES			
Called up share capital	19	10,291	9,344
Share premium account	20	2,442	2,442
Profit and loss account	20	(15,642)	(4,906)
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		(2,909)	6,880

These financial statements were approved by the Board of Directors on 27 June 2003.
Signed on behalf of the Board of Directors

T F Dengenis

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Net cash outflow from operating activities	22	**(3,233)**	(4,564)
Returns on investments and servicing of finance			
Interest received		**-**	10
Interest paid		**(29)**	(38)
Interest element of finance lease rental payments		**-**	(6)
Net cash outflow from returns on investment and servicing of finance		**(29)**	(34)
Taxation			
UK corporation tax paid		**-**	(246)
Capital expenditure			
Payments to acquire fixed assets		**(358)**	(1,583)
Proceeds from sale of fixed assets		**5**	-
Net cash outflow from capital expenditure		**(353)**	(1,583)
Acquisitions and disposals			
Acquisition of additional interest in subsidiary		**-**	(125)
Disposal of subsidiaries	25	**10**	1,803
Net borrowings disposed of with subsidiaries		**(24)**	1,262
Net cash outflow from acquisitions and disposals		**(14)**	2,940
Net cash outflow before financing		**3,629**	(3,487)
Financing			
Net proceeds on issue of ordinary share capital		**897**	4,751
Net proceeds from borrowings		**2,632**	-
Repayment of borrowings		**(2)**	(466)
Capital element of finance lease rental payments		**(6)**	(21)
Net cash outflow from financing		**3,521**	4,264
(Decrease) / Increase in cash in the year	24	**(108)**	777

NOTES TO THE ACCOUNTS

for the year ended 31 December 2002

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The directors have prepared projected Group cash flow information for the current financial year and for the first half of the following year to 30 June 2004. The early stage of development of the Group's business is such that there can be considerable unpredictable variation in the amount of revenue and timing and amount of cash flows. On the basis of this Group cash flow information, the directors are aware that additional funding will be required. Over the last 12 months, Mr. Robert Tchenguiz has provided the Group with the financial support it has required. The directors believe Mr. Robert Tchenguiz will continue to provide the funding required and have received a written confirmation from him that he intends to provide this funding in the form of a new loan amounting to £750,000 and that he will not call for repayment of this new loan or any existing loans before 30 June 2004.

This new loan has been agreed to be provided in the expectation that the Group achieves its forecast cash flows in the period to 30 June 2004. However, there is inherent uncertainty as to the realisation of the forecast and consequently uncertainty as to the continuing support of Mr. Robert Tchenquiz.

On the basis of this cash flow information and discussions with Mr. Robert Tchenguiz, the directors have formed a judgement at the time of approving the financial statements that they consider it appropriate to prepare these financial statements on the going concern basis. The financial statements do not include any adjustments that would result should support from Mr. Robert Tchenguiz or other sources no longer be available.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its subsidiaries made up to the end of the financial year. Subsidiaries acquired or disposed of are included in the financial statements from the date of acquisition or to the date of disposal as appropriate.

Turnover

Turnover is the total amount receivable for services provided in the ordinary course of business excluding Value Added Tax.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Defered tax assets and liabilities are not discounted.

Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments or, in the case of motor vehicles, on the reducing balance basis over their expected useful lives.

The periods and rates applicable are:

Fixtures, equipment and vehicles	1 to 2 years
Website costs	1 to 2 years

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

2. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated in the other functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Work in progress

Long term contracts are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. the amount by which recorded turnover is in excess of payments on account is classified as "Amounts recoverable on contracts" and separately disclosed within debtors. Where payments on account exceed recorded turnover, the excess is classified as "Fees in advance", and separately disclosed within creditors. Provision is made for foreseeable losses and, to the extent that such provision exceeds relevant contract balances included in debtors or stock and work in progress, it is included within either provisions for liabilities and charges or creditors as appropriate.

Operating leases

Operating lease rentals are charged to the profit and loss account as the annual charges are incurred.

Pension costs

The Company contributes to individual personal pension schemes. Contributions payable for the year are charged in the profit and loss account.

3. TURNOVER

The turnover of the Group by source and destination relates to the United Kingdom and the directors consider that the Group's continuing activities consist of one inter-related class of business.

	Turnover		**Operating Loss**	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Class of business:				
Property services – discontinued	-	4,779	-	(338)
e-commerce portal and services – continuing	1,575	307	(5,283)	(5,991)
Lighting distribution - discontinued	24	-	(68)	-
	1,599	5,086	(5,351)	(6,329)

The analysis of net (liabilities)/assets employed by class of business is:

	2002	2001
Class of business:		
e-commerce portal and services – continuing	**(2,154)**	1,458

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

4. STAFF COSTS

	2002 £'000	2001 £'000
Staff costs during the year (including directors)		
Consultancy fees	**114**	1,873
Wages and salaries	**2,034**	3,512
Social security costs	**208**	145
Other pension costs	**21**	211
	2,377	5,741
	No.	No.
Average number of persons employed		
Technical	**33**	130
Administrative	**12**	54
	45	184
Average number of personnel engaged by the Group who do not have contracts of service with the Group:		
Technical	**2**	48
Administrative	**-**	5
	47	237

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

5. DIRECTORS' EMOLUMENTS

	2002	2001
	£'000	£'000
Directors' emoluments		
Fees	**138**	118
Salary payments (including benefits in kind)	**264**	247
Pension contributions	**8**	9
	410	374

				Total emoluments excluding pensions contributions		**Pension contributions**	
	Salary	**Benefits**	**Fees**	**2002**	2001	**2002**	2001
	£	£	£	**£**	£	**£**	£
Remuneration by director was:							
Chairman (non-executive):							
Sir J Egan	-	-	50,000	**50,000**	34,452	**-**	-
Executive directors							
C H Woods	81,818	5,263		**87,081**	125,945	**8,182**	8,727
T F Dengenis	57,385	-	22,727	**80,112**	-	**-**	-
A J Mellon	120,000	-	-	**120,000**	60,002	**-**	-
B T Shaw	-	-	-	**-**	61,093	**-**	-
Non-Executive directors							
G Kynoch	-	-	-	**-**	23,457	**-**	-
W K Goldsmith	-	-	57,158	**57,158**	60,000	**-**	-
C H Woods	-	-	7,500	**7,500**	-	**-**	-
Total emoluments	259,203	5,263	137,385	**401,851**	364,949	**8,182**	8,727

During the year fees totalling £137,385 (2001 - £83,457) were paid to third parties for making available the services of certain directors. The fees in respect of Sir John Egan's services were paid by the issue of shares.

All pension contributions in respect of directors were to money purchase schemes. Share options held by directors were as follows:

	1 January 2002	Approved Granted	Unapproved Granted	31 December 2002	Exercise Price	Date Exercise	Expiry date
W K Goldsmith	200,000	-	-	200,000	30.0p	October 2004	October 2008
C H Woods	100,000	-	-	100,000	64.5p	July 2003	July 2007
C H Woods	100,000	-	-	100,000	30.0p	October 2004	October 2011
C H Woods	300,000	-	-	300,000	30.0p	October 2004	October 2008
A J Mellon	100,000	-	-	100,000	30.0p	April 2003	April 2004
A J Mellon	300,000	-	-	300,000	30.0p	April 2003	April 2004
T F Dengenis	-	100,000	-	100,000	30.0p	October 2005	October 2012
T F Dengenis	-	-	300,000	300,000	30.0p	October 2005	October 2009

The market price of the ordinary shares at 31 December 2002 was 7.00p and the range during the period was 12.95p to 3.00p. No options were exercised by directors during the year.

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

6. ANALYSIS OF CONTINUING AND DISCONTINUED OPERATIONS

Ongoing operations include internet services and product sales

			2002			2001
	Continuing	**Discontinued**	**Total**	Continuing	Discontinued	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Turnover	**1,575**	**24**	**1,599**	307	4,779	5,086
Revenue share	**(450)**	**(19)**	**(469)**	(130)	-	(130)
Change in WIP	**-**	**-**	**-**	-	(474)	(474)
Total turnover	**1,125**	**5**	**1,130**	177	4,305	4,482
Staff costs	**2,222**	**47**	**2,269**	1,108	2,760	3,868
Sub-contracting costs	**108**	**-**	**108**	1,098	775	1,873
Depreciation and amortisation	**2,241**	**4**	**2,245**	1,205	102	1,307
Other operating charges	**1,837**	**22**	**1,859**	2,757	1,006	3,763
	6,408	**73**	**6,481**	6,168	4,643	10,811
Operating loss	**(5,283)**	**(68)**	**(5,351)**	(5,991)	(338)	(6,329)

7. DISPOSALS

Operations that are considered by management to be discontinued are those relating to lighting distribution. The lighting distribution business was sold in July 2002. The results of these operations have been shown under discontinued operations in note 6.

The loss on disposal of these businesses was £11,000. The cash effects of the disposal are given in note 25.

Operations in the prior year that were considered by management to be discontinued were those relating to property services, including engineering and architectural services and property management. The architectural services business was sold in March 2001, the engineering business was sold in June 2001.

The loss on disposal of these businesses was £1,991,000 after taking into account a merger reserve adjustment of £1,871,000 and the write off of balances owed by the companies disposed of totalling £2,247,000.

Goodwill

In the prior year, goodwill of £125,000 was charged to the profit and loss in respect of CHKM. Goodwill of £1,000,000 attributable to Foremans Limited was taken into account in calculating the loss on disposal of that company.

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

8. DEPRECIATION AND AMORTISATION

	2002 £'000	2001 £'000
The charge for depreciation and amortisation comprises:		
Depreciation of tangible assets – owned assets	**2,245**	1,175
Depreciation of tangible assets – leased assets	**-**	7
Write down of goodwill	**-**	125
	2,245	1,307

9. INTEREST PAYABLE LESS RECEIVABLE

	2002 £'000	2001 £'000
Interest receivable on bank balances	**-**	10
Interest payable on overdraft	**(29)**	(38)
Interest on finance leases and hire purchase	**-**	(6)
	(29)	(34)

10. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £'000	2001 £'000
Loss on ordinary activities is stated after charging:		
Auditors' remuneration as auditors	**54**	60
Auditors' remuneration for non-audit work	**55**	156
Operating lease rentals - other	**35**	442

Included in the £55,000 of auditors' remuneration for non-audit work is £20,000 (2001 - £120,000) paid to the auditors in their work as nominated advisors. The audit fee for the Company is £20,000 (2001 - £25,000).

11. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
United Kingdom corporation tax at 30% (2001 – 30%) based on the loss for the period	**71**	27
The differences are explained below:		
Profit on ordinary activities before tax	**(5,391)**	(8,354)
Tax at 30% theron:	**1,617**	2,506
Non-deductable loss on disposal of subsidiaries	**(3)**	(263)
Expenses not deductible for tax purposes	**(50)**	(109)
Losses arising in subsidiary disposed of in period	**(20)**	
Depreciation in excess of capital allowances	**(481)**	(25)
Pre-trading expenditure deductible in period		569
Revenue tax losses arising in period and carried forward	**(1,603)**	(2,041)
Capital losses arising in period and carried forward	**-**	(637)
Adjustment in respect of prior years	**71**	27
Current tax credit for period	**71**	27

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

12. LOSS PER SHARE

	2002	2001
Basic		
Net loss for the year:	**£(4,559,000)**	£ (7,969,000)
Weighted average number of ordinary shares outstanding	**96,526,461**	64,550,029
Loss per share:	**4.7p**	12.3p

FRS 14 requires presentation of diluted loss per share when a Company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss making Company with outstanding share options, net loss per share would only be increased by the exercise of out-of-the-money options. No adjustment has been made to diluted loss per share for out-of-the-money share options and there are no other diluting future share issues, diluted loss per share has not been presented.

13. TANGIBLE FIXED ASSETS

	Fixtures equipment and vehicles £'000	Website costs £'000	Total £'000
Group			
Cost			
At 1 January 2002	211	5,680	5,891
Additions	158	200	358
Amendment to cost	-	(2,817)	(2,817)
Disposals	(13)	-	(13)
Disposed of with subsidiaries	(27)	-	(27)
At 31 December 2002	**329**	**3,063**	**3,392**
Accumulated depreciation			
At 1 January 2002	62	1,109	1,171
Charge for the year	291	1,954	2,245
Disposals	(24)	-	(24)
At 31 December 2002	**329**	**3,063**	**3,392**
Net book value			
At 31 December 2002	**-**	**-**	**-**
At 31 December 2001	149	4,571	4,720

The amendment to cost resulted from the re-negotiation of long term licence fee payments, resulting in a reduction to the liabilty

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

13. TANGIBLE FIXED ASSETS (continued)

	Fixtures equipment and vehicles £'000
Company	
Cost	
At 1 January 2002 and 31 December 2002	**64**
Depreciation	
At 1 January 2002	21
Charge for the year	43
At 31 December 2002	**64**
Net book value	
At 31 December 2002	**-**
At 31 December 2001	**43**

Group fixtures equipment and vehicles include assets under finance leases with a net book value of £Nil (2001 - £18,900). The depreciation charge in these financial statements on those assets was £Nil (2001 - £5,970).

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company cost and net book value

	2002 £'000
At 1 January 2002 and 31 December 2002	**42**

The principal subsidiary undertakings of the Company during the year were:

Subsidiaries owned throughout the year	**Principal activities**
Asite Solutions Limited (Incorporated 20 July 2000)	E-commerce portal and services
Subsidiaries disposed of during the year	
Lyteline Technologies Limited	Disposed July 2002

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)

All companies are incorporated in Great Britain.

Asite plc holds 82.73% of Asite Solutions Limited as at 31 December 2002.

The investment in shares in subsidiary undertakings is stated at cost less provision for any impairment in value.

15. DEBTORS

		Group		Company
	2002	**2001**	**2002**	**2001**
	£'000	**£'000**	**£'000**	**£'000**
Trade debtors	**373**	142	**8**	-
Amounts owed by subsidiary undertakings	**-**	-	**-**	6,825
Prepayments and accrued income	**75**	155	**61**	80
VAT recoverable	**40**	213	**35**	214
Other debtors	**76**	290	**-**	81
	564	800	**104**	7,200

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company
	2002	**2001**	**2002**	**2001**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans and overdrafts	**-**	161	**-**	-
Finance leases	**-**	6	**-**	-
Fees in advance	**138**	-	**-**	-
Trade creditors	**1,281**	1,543	**347**	323
Amounts owed to subsidiary undertakings	**-**	-	**85**	85
Corporation tax payable	**-**	71	**-**	71
Other creditors	**2**	583	**1**	129
Social security and other taxes	**199**	124	**2**	9
Accruals and deferred income	**316**	211	**65**	146
	1,936	2,699	**500**	763

Amounts owing by subsidiary undertakings in respect of finance leases are secured on the assets being financed.

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		Group		Company
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Finance leases	**-**	19	**-**	-
Other loans	**2,632**	-	**2,628**	-
Other creditors	**-**	2,723	**-**	-
	2,632	2,742	**2,628**	-
Other financial liabilities:				
Within 1 - 2 years	**-**	6	**-**	-
Within 2 – 5 years	**2,632**	2,736	**2,628**	-
More than 5 years	**-**	-	-	-
	2,632	2,742	**2,628**	-
Total	**2,632**	2,742	**2,628**	-

There are no set repayment terms nor interest for the other loans (see note 27).

The fair value of financial liabilities is not materially different from their book value.

There are currently no bank credit facilities in place.

18. OBLIGATIONS UNDER OPERATING LEASES

	Other	**Other**
	2002	**2001**
	£'000	**£'000**
The following amounts are payable within the next year on operating leases expiring:		
Within 1 year	**36**	-
Within 2 to 5 years	**25**	130
After more than 5 years	**7**	-
	68	130
The above lease obligations are analysed between Group companies as follows:		
Company	**68**	130
Subsidiaries	**-**	-
	68	130

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

19. CALLED UP SHARE CAPITAL

	No.	2002 £'000	No.	2001 £'000
Authorised				
Ordinary shares of 10p each				
At 31 December 2001 and 31 December 2002	**125,000,000**	**12,500**	125,000,000	12,500
Allotted, issued and fully paid				
Ordinary shares of 10p each				
At 1 January 2002	**93,445,097**	**9,344**	39,553,479	3,955
Issued for cash	**8,965,536**	**897**	53,891,618	5,389
Issued for services	**500,000**	**50**	-	-
At 31 December 2002	**102,910,633**	**10,291**	93,445,097	9,344

During the year new shares were issued as follows :

a On 12 March 2002, 500,000 10p ordinary shares were issued to Sir John Egan in return for services to the Company. The fair value of these services was equivalent to 10p per share.

b On 5 July 2002, 4,065,030 10p ordinary shares were issued to Warrencity Invest Corp for cash.

c On 25 October 2002, 4,900,506 10p ordinary shares were issued to Warrencity Invest Corp for cash.

The aggregate nominal value of new shares issued was £946,554. Net proceeds received were £946,554, including services received with a fair value of £50,000.

Share Options

At 31 December 2002 options granted under the Company's share option schemes were outstanding on a total of 2,100,008 ordinary shares as follows:

100,000	granted in July 2000	at	64.5p
1,186,667	granted in October 2001	at	30p
326,670	granted in July 2002	at	30p
486,671	granted in October 2002	at	30p

The options can be exercised between three and ten years from the date granted.

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

20 RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 January 2002	**2,442**	(10,328)
Minority interest	**-**	761
Loss for the year	**-**	(5,320)
At 31 December 2002	**2,442**	(14,887)
Company		
At 1 January 2002	**2,442**	(4,906)
Loss for the year	**-**	(10,736)
At 31 December 2002	**2,442**	(15,642)

As permitted by Section 230 of the Companies Act 1985 a separate profit and loss account is not presented for Asite Plc. The loss for the period of the parent undertaking was £10,736,000 (2001 - £6,368,000).

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICT)/FUNDS

	2002 £'000	2001 £'000
Loss for the period	**(5,320)**	(8,327)
Net proceeds of issues of new share capital	**947**	5,006
Minority interest	**761**	999
Merger reserve adjustment	**-**	1,871
	(3,612)	(451)
Opening shareholders' funds	**1,458**	1,909
Closing shareholders' (deficit) / funds	**(2,154)**	1,458

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

22. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW

	2002 £'000	2001 £'000
Operating loss	**(5,351)**	(6,329)
Depreciation and amortisation	**2,245**	1,307
Loss on disposal of fixed assets	**-**	141
Fees received in advance	**138**	-
Service charged to operating profit in return for issue of shares	**50**	255
Decrease / (increase) in stock	**22**	(74)
Decrease / (increase) in debtors	**236**	(648)
Increase / (decrease) in creditors	**(573)**	784
	(3,233)	(4,564)

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £'000	2001 £'000
(Decrease) / increase in cash in the year	**(108)**	777
Cash outflow from decrease in debt finance	**19**	466
Cash outflow from decrease in lease finance	**6**	21
	(83)	1,264
New finance lease	**-**	(11)
Loans disposed of with subsidiaries	**-**	560
Loan	**2,632**	-
	2,632	549
Movement in net debt in the year	**2,549**	1,813
Net funds at 1 January 2002	**172**	(1,641)
Net funds at 31 December 2002	**2,721**	172

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

24. ANALYSIS OF NET DEBT

	At 1 January 2002 £'000	Cash flows £'000	At 31 December 2002 £'000
Cash	358	(269)	**89**
Bank overdrafts	(161)	161	**-**
	197	(108)	**89**
Finance leases	(25)	25	**-**
Loan	-	2,632	**2,632**
	172	2,549	**2,721**

25. SALE OF SUBSIDIARY UNDERTAKING

On 1 July 2002 the group sold its 100% interest in the ordinary share capital of Lyteline Technologies Limited. The loss of Lyteline Technologies Limited up to the date of disposal was £68,000.

Net assets disposed of and the related sale proceeds were as follows:

	2002 £'000	2001 £'000
Fixed assets	**17**	735
Current assets	**10**	8,142
Creditors	**(193)**	(10,201)
Net deficiency	**(166)**	(1,324)
Loss on sale	**(11)**	(1,991)
Sale Proceeds	**177**	(3,315)
Net cash inflows in respect of the sale comprised:		
Cash consideration	**10**	1,803
Bank overdrafts sold	**24**	-
Write-off of intercompany debt	**143**	-
Non-cash adjustments	**-**	(5,118)
	177	(3,315)

The company sold during the year contributed £4,000 to the group's net operating cash flows.

26. PENSION SCHEMES

Contributions are made in respect of certain members of staff to personal pension schemes. The total pension cost charged in the period in respect of these schemes was £20,961 (2001 - £211,390).

NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2002

27. RELATED PARTY TRANSACTIONS

Payments are made to certain of the non-executive directors' personal companies or partnerships for their services as directors. Such payments totalled £137,385 in 2002 (2001 - £83,457) and are included in the amounts referred to in note 4 as being paid to third parties.

Payment amounts totalling £Nil (2001 - £140,000) have been made to directors of Asite plc for their services as directors of subsidiaries now disposed of.

At year end, the outstanding loan balance to Mr. Robert Tchenguiz was £2,628,000 (2001 - £nil).

Asite Solutions Limited provided services to Stanhope plc during the year under review. The total turnover arising during the year amounted to £466,498 (2001 – 86,800).

Management charges from Asite plc to Asite Solutions Limited totalled £Nil (2001 - £178,090).

A total of £Nil (2001 - £387,400) has been recognised as services provided by Dynamis in relation for work carried out for Premisys Trading Exchange. Also Dynamis provided consultancy work to Asite Solutions Limited at a cost totalling £Nil (2001 - £456,872).

Asite plc purchased 60 shares in Asite Solutions Limited for £10,000 from Alastair Mellon in April 2003. Alastair Mellon also provided consulting services to Asite Solutions Limited for £10,000 in June 2003.

28. CONTINGENT LIABILITY

The Company has provided a guarantee to HSBC Bank plc up to £400,000 in respect of facilities granted to Foremans Limited. On the sale of Foremans, the Company obtained a Fixed and Floating charge over all assets of Energyedge Limited, the purchaser of the Foremans Limited business, to secure against any claim under this guarantee. In addition, on 15 June 2002, a personal guarantee from the owners of Energyedge Limited, Barry Shaw and Richard Kennedy, came into effect.

NOTICE OF MEETING

for the year ended 31 December 2002

Notice is hereby given that the fourteenth annual general meeting of the members of ASITE plc will be held at Leconfield House, Curzon Street, London W1J 5JA on 24 July 2003 at 9:30am for the following purposes:

Ordinary Business

1. To receive and adopt the accounts, for the year to 31 December 2002 and the reports of the directors and
2. To re-appoint C Woods as a Director
3. To re-appoint P Rogers as a Director
4. To elect T Dengenis as a Director
5. To elect M Riley as a Director
6. To re-appoint Deloitte & Touche as auditors and to authorise the directors to fix their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolution as a special resolution:

7. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the companies Act 1985) of any of its ordinary shares of 10p each ("ordinary shares"), provided that:

   (a) the maximum number of ordinary shares hereby authorised to be purchased is 15,400,000, representing approximately 15 per cent of the issued share capital at 27 June 2003;

   (b) the minimum price which may be paid for each share is 10p, exclusive of the expenses of purchase;

   (c) the maximum price which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for the ordinary shares of the Company as derived from the daily Official List of the London Stock Exchange Limited for the five business days immediately proceeding the day of purchase;

   (d) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2004; and

   (e) the Company may, before the expiry of this authority, conclude a contract to purchase ordinary shares, which will or may be executed wholly or partly after such expiry and may make a purchase of ordinary shares pursuant to any such contract as if such authority had not expired.

Notes

1. Any member entitled to attend and vote at the meeting may appoint another person (whether a member or not) as his proxy to attend and, on a poll, to vote instead of him. A proxy card is enclosed. To be valid, forms of proxy must be deposited at the Company's registrars, Capita IRG plc, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the holding of the meeting.

2. The register of directors shareholdings and their contracts of service and copies of the amended Rules of the Executive Share Option Schemes will be available for inspection at the registered office of the Company, during normal business hours, from the date of this Notice until the date of the meeting and at the place of the Annual General Meeting for fifteen minutes prior to and until the conclusion of the meeting.

3. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 9.30am on 22nd July 2003 shall be entitled to attend or vote at this meeting in respect of the number of shares registered in their name at that time. Changes in entries on the relevant register of members after 9.30am on 22nd July 2003 shall be disregarded in determining the rights of any person to attend or vote at this meeting.

4. If this meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, the time referred to in the foregoing note 3 will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period, then to be so entitled members must be entered on the Company's register of members at a time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

Company Registration No. 2004015.

By Order of the Board

Charles Woods
Secretary
27 June 2003

NOTICE OF MEETING

Notice is hereby given that an extraordinary general meeting of the members of ASITE plc will be held at Leconfield House, Curzon Street, London W1J 5JA on 24 July 2003 at 10:30am for the following purpose:

Ordinary Business

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

1. That the current strategy towards addressing the balance sheet position of the Company which is referred to in the 2002 Annual Report and Accounts under the heading "Calling of an Extraordinary General Meeting under Section 142 of the Companies Act 1985" in the Chairman's Statement is hereby approved.

Notes

1. Any member entitled to attend and vote at the meeting may appoint another person (whether member or not) as his proxy to attend and, on a poll, to vote instead of him. A proxy card is enclosed. To be valid, forms of proxy must be deposited at the Company's registrars, Capital IRG plc, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the holding of the meeting.

2. The registrar of directors shareholdings and their contracts of service and copies of the amended Rules of the Executive Share Option Scheme will be available for inspection at the registered office of the Company, during normal business hours, from the date of this Notice until the date of the meeting and at the place of the Extraordinary General Meeting for fifteen minutes prior to and until the conclusion of the meeting.

3. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 10:30am on 22 July 2003 shall be entitled to attend or vote at this meeting in respect of the number of shares registered in their name at that time. Changes in entries on the relevant register of members after 10:30am on 22 July 2003 shall be disregarded in determining the rights of any person to attend or vote at this meeting.

4. If this meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, the time referred to in the foregoing note 3 will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period, then to be so entitled members must be entered on the Company's register of members at a time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

By Order of the Board

Charles Woods
Secretary
27 June 2003