

## REG-EAG Limited Recommendation of the increas

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EAG Limited

22 August 2008

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EAG Limited

("EAG" or the "Company")

Recommendation of the increased cash offer by EAG, Inc.

On 18 July 2008, the Board of EAG, Inc. ("EAGI"), a company formed at the direction of Odyssey Investment Partners Fund III, LP, and the Independent Directors of EAG (the "Independent Directors") announced the terms of a recommended cash offer of 110 pence per EAG Share, to be made by EAGI, to acquire the entire issued and to be issued share capital of EAG other than the Acquired Shares (the "Initial EAGI Offer"). That offer was subsequently made by EAGI in the formal offer document despatched to EAG Shareholders on 25 July 2008 (the "Initial EAGI Offer Document").

On 30 July 2008, SVTC Technologies, LLC ("SVTC") announced a cash offer to be made by SVTCA, LLC ("SVTC Bidco"), a wholly owned subsidiary of SVTC, for all of the issued and to be issued share capital of EAG at a price of 120 pence per EAG Share (the "SVTC Bidco Offer"). That offer was then made by SVTC Bidco in the formal offer document despatched to EAG Shareholders on 7 August 2008.

Subsequently, on 8 August 2008, the Independent Directors announced that they had withdrawn their recommendation in respect to the Initial EAGI Offer and were unanimously recommending that EAG Shareholders accept the SVTC Bidco Offer.

On 13 August 2008, EAGI announced an increased cash offer to acquire the entire issued and to be issued share capital of EAG, other than the Acquired Shares, at a price of 130 pence per EAG Share (the "Increased EAGI Offer").

Further to the announcement made by the Company on 14 August 2008, the Independent Directors note the announcement made earlier today by EAGI that it has now posted the formal offer document in relation to the Increased EAGI Offer (the "Increased EAGI Offer Document") to EAG Shareholders.

The Independent Directors and its advisers have reviewed the terms and conditions of the Increased EAGI Offer set out in the Increased EAGI Offer Document and have found that those terms and conditions are substantially the same as those set out in the Initial EAGI Offer Document, save as regards the price offered by EAGI for each EAG Share and the timetable for the Increased EAGI Offer which converges on the timetable for the SVTC Bidco Offer.

Accordingly, following the posting of the Increased EAGI Offer Document, and in view of the premium which the Increased EAGI Offer represents to the SVTC Bidco Offer, the Independent Directors, who have been so advised by Lazard and Numis,

consider the terms of the Increased EAGI Offer to be fair and reasonable and recommend it to EAG Shareholders. In providing advice to the Independent Directors, Lazard and Numis have taken into account the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors have withdrawn their recommendation in respect of the SVTC Bidco Offer and unanimously recommend that EAG Shareholders accept the Increased EAGI Offer.

The Independent Directors confirm that no inducement fee arrangement was entered into with SVTCA, LLC in relation to the SVTC Bidco Offer and therefore no inducement fee is payable as a result of this change of recommendation. In addition, the Independent Directors confirm that no inducement fee arrangement has been entered into with EAGI in relation to the Increased EAGI Offer.

The Independent Directors welcome the approach to the offer timetable adopted in the Increased EAGI Offer Document which should ensure that if any subsequent SVTC Bidco counteroffer is made, it will run to the same timetable as the Increased EAGI Offer and in particular provides that, absent a third party making a separate offer, neither EAGI nor SVTC Bidco may announce a revised offer after 22 September 2008.

A letter from the Independent Directors setting out, inter alia, the reasons why the Independent Directors are recommending EAG Shareholders to accept the Increased EAGI Offer will be despatched to EAG Shareholders shortly.

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Lazard, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for EAG and no one else in connection with the Initial EAGI Offer, the SVTC Bidco Offer and the Increased EAGI Offer (together, the "Offers") and will not be responsible to anyone other than EAG for providing the protections afforded to its clients or for providing advice in connection with the Offers or in connection with the matters described in this announcement or any transaction or arrangement referred to herein.

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