



## LETTER FROM THE CHAIRMAN

To the holders of Ordinary Shares  
9 December 2010

Dear Ordinary Shareholder

### **IDB HOLDINGS S.A. (THE “COMPANY”) – NOTICE OF EXTRAORDINARY GENERAL MEETINGS ON 30 AND 31 DECEMBER 2010**

#### **1. 1929 Conversion**

As previously communicated, the Company is a Luxembourg holding company organised as a Société Anonyme under the Law of 10 August 1915 concerning commercial companies, as amended, and has the status of a milliardaire company. It will benefit until 31 December 2010 from the tax status laid down by the Law of 31 July 1929 concerning holding companies.

With effect from 1 January 2007 the Luxembourg Parliament abolished all Luxembourg laws relevant to the 1929 holding company regime, including the Law of 31 July 1929. In doing so Luxembourg has followed the decision of the European Commission dated 19 July 2006 requesting it to modify or to cancel the 1929 holding company regime. The European Commission alleged that the Luxembourg 1929 holding regime violated European state aid rules and was therefore incompatible with the Common Market. However, a 1929 holding company that existed at 1 January 2007 and that was incorporated before 20 July 2006 continues to benefit from such beneficial tax regime during a transitional period ending 31 December 2010, provided that during such period part or all of its shares are not transferred. Transfer of shares in a listed 1929 holding company is however permissible and will not result in such company losing the benefit of the 1929 holding company regime.

As a result of the above, the Board proposes to convert the Company's status from a 1929 holding company to a société de participations financiers, i.e. a fully taxable Luxembourg holding company (the “**Conversion**”). The Conversion will be implemented by means of the amendment of article 3 (Objects) of the Company's Articles of Incorporation, at an EGM to be held on 30 December 2010 (the “**Conversion EGM**”). Article 3 will be amended to delete the reference to the 1929 holding company regime and legislation.

A Notice convening the Conversion EGM at 10h30 a.m. (CET) on 30 December 2010 at the offices of Notary Martine Schaeffer, 74 avenue Victor Hugo, Luxembourg, L-1750 was distributed to Ordinary Shareholders on Wednesday, 8 December 2010.

#### **2. Capital Reduction and Distribution**

As announced in the Company's press releases of 10 September 2010 and 29 October 2010, the Company's wholly owned subsidiary, Insinger Trust Holdings Limited, sold its interest in Equity Trust for estimated cash proceeds of €27.2 million. The estimated cash proceeds comprise an initial payment on completion of €16.7 million and a deferred payment of €10.5 million via the issue of guaranteed vendor loan notes, payable no later than 30 June 2011. Following this sale and receipt of the initial payment on completion, the Company plans on distributing funds to its Ordinary Shareholders by means of a capital reduction combined with a distribution of distributable reserves (the “**Distribution**”). The Distribution will

be in the amount of up to €17,877,447 and is to be approved by Ordinary Shareholders at an EGM to be held on 31 December 2010 (the “**Distribution EGM**”).

Under the Distribution, the Company plans to redeem between 20% and 50% of the Ordinary Shares (par value of €2.00 each) held at an amount of up to €9.00 per share. The redeemed Ordinary Shares will immediately be cancelled.

The Company plans to fund the Distribution payment per share as to €2.00 from share capital and the remainder, of up to €7.00, from its distributable reserves.

The Distribution will reduce the Company's issued Ordinary Shares by between 1,986,383 and 4,965,958 shares to bring the amount of issued Ordinary Shares down from 9,931,915 to between 7,945,532 and 4,965,957.

The Company is in process of finalising advice regarding the exact number of shares to be repurchased and amount to be funded from its distributable reserves, to ensure that the Distribution is implemented in the most beneficial manner for both Ordinary Shareholders and the Company. The Company will make an announcement on its website ([www.idbholdingssa.com](http://www.idbholdingssa.com)) and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) at the latest by Wednesday, 22 December 2010 to confirm the final share and payment amounts under the Distribution.

To the extent that the redemption of shares under the Distribution results in fractional holdings, there will be no entitlement for Ordinary Shareholders with fractional holdings.

In line with previous announcements, the group has taken up Ordinary Shares on occasions when the group believed that this was opportune in terms of price, capital or both. These shares could inter alia be made available to underpin outstanding employee share options and compulsory convertible loan notes. After implementation of the proposals set out in the Circular to shareholders dated 5 March 2009, the group holds a total of 163,827 Ordinary Shares. As no further rights pursuant to share option or compulsory convertible loan notes exist, the group no longer requires these shares. It is therefore proposed that the Company redeem and cancel these shares, to the extent that they remain outstanding subsequent to the capital reduction performed under the Distribution. These shares will be acquired from the Company's indirect subsidiary at market value.

## **EGMs**

The Board seeks the approval of the Ordinary Shareholders in respect of the Conversion and the Distribution.

A Notice convening the Distribution EGM to be held at 09h00 a.m. (CET) on 31 December 2010 at the offices of Notary Paul Decker, 3 rue Nicolas Welter, Luxembourg, L-2740, is attached hereto. The Conversion EGM and Distribution EGM are hereinafter referred to as the “**EGMs**”.

## **Action to be Taken**

A proxy form for use at the Distribution EGM is attached hereto. A proxy form for use at the Conversion EGM was attached to the Conversion EGM Notice despatched to Ordinary Shareholders on 8 December 2010. The Distribution EGM proxy forms and Conversion EGM proxy forms are hereinafter referred to as the “**Proxies**”. Whether or not you intend to be present at the EGMs, registered Ordinary Shareholders are asked to complete and return the Proxies in accordance with the instructions printed thereon to the registered office of the Company prior to 17.00 p.m. (CET) on 28 December 2010 with respect to the Conversion EGM and prior to 17.00 p.m. (CET) on 29 December 2010 with respect to the Distribution EGM.

Alternatively, Ordinary Shareholders can return the Proxies to their custodian bank so that these are received by the Company not later than 17.00 p.m. (CET) on 28 December 2010 with respect to the Conversion EGM and prior to 17.00 p.m. (CET) on 29 December 2010 with respect to the Distribution

EGM. Provided that you are able to demonstrate ownership of Ordinary Shares at the aforementioned dates, the completion of the Proxies will not preclude you from attending the meeting and voting in person, should you so wish.

**For the avoidance of doubt, the Record Date regarding the Ordinary Shareholders whose shares will be redeemed and who will be eligible to receive payments in terms of the Distribution will be close of books on Thursday, 30 December 2010.**

**Recommendation**

**The Board considers that the Conversion and Distribution are in the best interests of the holders of Ordinary Shares. Accordingly, the Board recommends that Ordinary Shareholders vote in favour of the resolutions to be proposed.**

Yours faithfully,  
IdB Holdings S.A.  
By Order of the Board

Ian Kantor  
Chairman

IDB HOLDINGS S.A.  
58, RUE CHARLES MARTEL  
L-2134 LUXEMBOURG  
RC LUXEMBOURG B49 429

## **IDB HOLDINGS S.A. - NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General Meeting of the Company will be held in the presence of a Luxembourg notary at 74, avenue Victor Hugo, Luxembourg, L-1750 on 30 December 2010 at 10.30 a.m. (CET) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed:

### **RESOLUTIONS:**

1. The General Meeting resolves to change the Company's status from a 1929 holding company to a société de participations financières.
2. As a consequence of the first resolution, the General Meeting resolves to amend article 3 (Objects) of the Articles of Incorporation, which will have the following wording:

"Art. 3. Objects

The Company shall have as its business purpose the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities of any kind.

The Company shall not itself carry on directly any industrial activity or maintain a commercial establishment open to the public. The Company may however participate in the establishment and development of any financial, industrial or commercial enterprises and may render them any assistance by way of loan, guarantees or otherwise. The Company may borrow in any form and proceed to the issuance of ordinary or convertible bonds and debentures.

In general, it may take any controlling and supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purpose."

The Board of Directors  
Dated 8 December 2010

Registered Office  
58, rue Charles Martel  
L-2134 Luxembourg

### Notes

- (1) Shareholders registered as such on 28 December 2010 after close of book are entitled to attend and cast votes at the EGM, regardless of whether they are shareholders at the time of the EGM.
- (2) Ordinary Shares can be held in two ways:
  - a. as registered shares (the shareholders are included in the Company's shareholders' register);
  - b. in an account with an account holder of Euroclear or Clearstream. These shares are included in the Company's shareholders' register in the name of Euroclear or Clearstream.

Under the Articles of Incorporation of the Company, only shareholders included in the shareholders' register of the Company are permitted to attend and vote at the EGM. They may alternatively be represented by a proxy in writing.

- (3) Shareholders holding their shares through Euroclear or Clearstream who wish to attend the EGM, or want Euroclear or Clearstream to vote on their behalf should contact their custodian bank to establish the correct procedure to attend and vote at the above meeting or appoint a proxy.
- (4) A form of Proxy is available at the website of the Company ([www.idbholdingssa.com](http://www.idbholdingssa.com)). The form of Proxy, to be valid, must be received at the registered office of the Company before 17.00 p.m. (CET) on 28 December 2010.
- (5) The resolutions contained under the agenda will be validly taken if at least 50% of the issued shares (i.e. the outstanding Ordinary Shares) are present or represented and voted in favour of by at least two thirds of the Ordinary Shares so present or represented.
- (6) The Proxy is specially authorised to vote in favor of the items on the above agenda.

## PROXY

The undersigned (the "Appointer"), being the holder of ..... shares of IDB Holdings S.A., having its registered office at 58, rue Charles Martel, L-2134 Luxembourg (the "Company"), hereby appoints \_\_\_\_\_ (insert full names and passport number of proxy) or the duly appointed Chairman of the meeting or, failing him, any director of the Company, to represent him and vote for him at the Extraordinary General Meeting of the Ordinary Shareholders of the Company to be held in Luxembourg on 30 December 2010 at 10.30 p.m. (CET) or at any adjournment thereof for the purpose of deliberation and voting upon the following agenda:

1. To change the Company's status from a 1929 holding company to a société de participations financières.
2. As a consequence of the first resolution, to amend article 3 of the Company's Articles of Incorporation accordingly.

Made in            on            , 2010

By \_\_\_\_\_

The Proxy is specially authorised to vote in favor of the items on the above agenda.

Finally all powers are given to the Proxy to make any statement, cast all votes, sign all minutes of meetings and other documents, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of the present proxy and the incorporation of the above named Company and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies' Register and to any publication in the Mémorial C, Recueil Officiel des Sociétés et Associations (Official Gazette), while the Appointer promises to ratify all said actions taken by the Second Proxy whenever requested.

This proxy, and the rights, obligations and liabilities of the Appointer and the Proxy hereunder, shall be governed by the laws of Luxembourg, to the exclusion of its rules of conflict of laws.

Any claims, disputes or disagreements arising under, in connection with or by reason of this proxy shall be brought by the Appointer and the Proxy in the courts of Luxembourg-City, and each of the Appointer and the Proxy hereby submits to the exclusive jurisdiction of such courts in any such actions or proceeding and waives any objection to the jurisdiction or venue of such courts.

IDB HOLDINGS S.A.  
58, RUE CHARLES MARTEL  
L-2134 LUXEMBOURG  
RC LUXEMBOURG B49 429

## **IDB HOLDINGS S.A. - NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at 3 rue Nicolas Welter, Luxembourg, L-2740 on 31 December 2010 at 09.00 a.m. (CET) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed:

### **RESOLUTIONS:**

1. Approval of the reduction of the ordinary share capital of the Company, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, from 9,931,915 Ordinary Shares of €2.00 each to between 7,945,532 and 4,965,957 Ordinary Shares of €2.00 each via the redemption of between 20% and 50% of the Ordinary Shares held at an amount of up to €9.00 per share redeemed, and cancellation of the Ordinary Shares redeemed;
2. Proxy to the Directors, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, to determine and implement the reimbursement of the redemption amount of between 1,986,383 and 4,965,958 Ordinary Shares pursuant to resolution (1) above including the payment to Ordinary Shareholders of up to €9.00 per Ordinary Share redeemed in the form of a reduction of capital out of which €2.00 will be funded out of share capital and the remainder of up to €7.00 will be funded out of distributable reserves;
3. Approval of the reduction of the ordinary share capital of the Company, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, via the redemption and cancellation of up to 163,827 Ordinary Shares from the Company's indirect subsidiary, Insinger de Beaufort Investments Limited, at the average of the middle market quotations for an Ordinary Share (as derived from the Euro MTF Market information of the Luxembourg Stock Exchange) for the five business days immediately before the date of this meeting; and
4. Amendment of article 5 of the Company's Articles of Incorporation to reflect the amendments which have been resolved upon pursuant to resolutions 1 and 3 above.

The Board of Directors  
Dated 9 December 2010

Registered Office  
58, rue Charles Martel  
L-2134 Luxembourg

## Notes

- (1) Shareholders registered as such on 29 December 2010 are entitled to attend and cast votes at the EGM, regardless of whether they are shareholders at the time of the EGM. The Record Date regarding the Ordinary Shareholders whose shares will be redeemed and who will be eligible to receive payments in terms of the Distribution will be close of books on Thursday, 30 December 2010.
- (2) Ordinary Shares can be held in two ways:
  - a. as registered shares (the shareholders are included in the Company's shareholders' register);
  - b. in an account with an account holder of Euroclear or Clearstream. These shares are included in the Company's shareholders' register in the name of Euroclear or Clearstream.

Under the Articles of Incorporation of the Company, only shareholders included in the shareholders' register of the Company are permitted to attend and vote at the EGM. They may alternatively be represented by a proxy in writing.
- (3) Shareholders holding their shares through Euroclear or Clearstream who wish to attend the EGM, or want Euroclear or Clearstream to vote on their behalf should contact their custodian bank to establish the correct procedure to attend and vote at the above meeting or appoint a proxy.
- (4) A form of Proxy is available at the website of the Company ([www.idbholdingssa.com](http://www.idbholdingssa.com)). The form of Proxy, to be valid, must be received at the registered office of the Company before 17.00 p.m. (CET) on 29 December 2010.
- (5) The resolutions contained under the agenda will be validly taken if at least 50% of the issued shares (i.e. the outstanding Ordinary Shares) are present or represented and voted in favour of by at least two thirds of the Ordinary Shares so present or represented.
- (6) The Proxy is specially authorised to vote in favor of the items on the above agenda.



## PROXY

The undersigned (the "Appointer"), being the holder of ..... shares of IDB Holdings S.A., having its registered office at 58, rue Charles Martel, L-2134 Luxembourg (the "Company"), hereby appoints \_\_\_\_\_ (insert full names and passport number of proxy) or the duly appointed Chairman of the meeting or, failing him, any director of the Company, to represent him and vote for him at the Extraordinary General Meeting of the Ordinary Shareholders of the Company to be held in Luxembourg on 31 December 2010 at 09.00 p.m. (CET) or at any adjournment thereof for the purpose of deliberation and voting upon the following agenda:

1. Approval of the reduction of the ordinary share capital of the Company, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, from 9,931,915 Ordinary Shares of €2.00 each to between 7,945,532 and 4,965,957 Ordinary Shares of €2.00 each via the redemption of between 20% and 50% of the Ordinary Shares at an amount of up to €9.00 per share redeemed, and cancellation of the Ordinary Shares redeemed;
2. Proxy to the Directors, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, to determine and implement the reimbursement of the redemption amount of between 1,986,383 and 4,965,958 Ordinary Shares pursuant to resolution (1) above including the payment to Ordinary Shareholders of up to €9.00 per Ordinary Share redeemed in the form of a reduction of capital out of which €2.00 will be funded out of share capital and the remainder of up to €7.00 will be funded out of distributable reserves;
3. Approval of the reduction of the ordinary share capital of the Company, depending on the final figures to be announced by the Board of Directors at the latest by Wednesday, 22 December 2010, via the redemption and cancellation of up to 163,827 Ordinary Shares from the Company's indirect subsidiary, Insinger de Beaufort Investments Limited, at the average of the middle market quotations for an Ordinary Share (as derived from the Euro MTF Market information of the Luxembourg Stock Exchange) for the five business days immediately before the date of this meeting; and
4. Amendment of article 5 of the Company's Articles of Incorporation to reflect the amendments which have been resolved upon pursuant to resolutions 1 and 3 above.

Made in \_\_\_\_\_ on \_\_\_\_\_, 2010

By \_\_\_\_\_

The Proxy is specially authorised to vote in favor of the items on the above agenda.

Finally all powers are given to the Proxy to make any statement, cast all votes, sign all minutes of meetings and other documents, do everything which is lawful, necessary or simply useful in view of the accomplishment and fulfilment of the present proxy and the incorporation of the above named Company and to proceed, in accordance with the requirements of Luxembourg law, to any registration with the Trade and Companies' Register and to any publication in the Mémorial C,

Recueil Officiel des Sociétés et Associations (Official Gazette), while the Appointer promises to ratify all said actions taken by the Second Proxy whenever requested.

This proxy, and the rights, obligations and liabilities of the Appointer and the Proxy hereunder, shall be governed by the laws of Luxembourg, to the exclusion of its rules of conflict of laws.

Any claims, disputes or disagreements arising under, in connection with or by reason of this proxy shall be brought by the Appointer and the Proxy in the courts of Luxembourg-City, and each of the Appointer and the Proxy hereby submits to the exclusive jurisdiction of such courts in any such actions or proceeding and waives any objection to the jurisdiction or venue of such courts.