

**IN THE MATTER OF DCC PLC, S & L INVESTMENTS LIMITED AND LOTUS GREEN LIMITED
AND IN THE MATTER OF THE COMPANIES ACT 1990**

SECOND INTERIM PROGRESS REPORT OF THE INSPECTOR

1. By Order of the High Court (Kelly J.) dated the 29th July 2008, on the application of the Director of Corporate Enforcement, I was appointed Inspector of DCC PLC, S & L Investments Limited and Lotus Green Limited pursuant to Section 8(1) of the Companies Act 1990 and Order 75B Rule 3(b) of the Rules of the Superior Courts 1986.
2. On the 28th of January 2009 I presented my first interim progress report to this Honorable Court. In my first interim progress report I reported that I had concluded phase one of my interviews with the Directors, Officers and Advisors to the Companies in relation to the transactions concerning the acquisition maintenance transfer and disposal of the beneficial and legal interests of the three Companies in the shares of Fyffe's Plc between the 1st of February 1995 and the 30th of September 1995 ("the 1995 transactions").
3. I also reported that it was my intention to conduct interviews in respect of the transactions which were related to the acquisition, maintenance, transfer and disposal of the beneficial and legal interests of the three Companies in the shares of Fyffe's Plc between the 1st of November 1999 and the 30th April 2000 ("the 2000 transactions").
4. At that time I also expressed the hope that I would have finalised all of the investigative phase of my work by the end of July 2009 with a view to being in a position to present my final report to the court by December of this year.
5. I am pleased to report to this Honourable Court that I am still on schedule to complete and present my final report within that timescale.
6. Between the 5th of February 2009 and the 28th of May 2009 I conducted further interviews with a total of eighteen persons being the Directors, Officers and Advisors to the Companies together with certain key employees who either assisted with or facilitated the 2000 transactions. I also interviewed the principles of the two firms of stock brokers who jointly purchased the Fyffe's stake from the Companies on behalf of third party institutional investors.
7. I am now satisfied that I have finalised all the investigate phase of my work. The Companies, at my request, furnished me with additional documentation which I now have available to me for the purpose of writing my report.
8. I held two further hearings one in June, one in July after the conclusion of the interviews. One with the legal representatives of the ODCE and the Companies and one with the Companies legal representatives only .The first hearing arose out of a concern that I had over the expectations of the parties in relation to a part of the Order which requires me to determine whether certain provisions of the Companies Act 1990 or any related provisions were breached by the Companies or any individuals.
9. I explained to the parties my intention in relation to that part of the Order and am pleased to report to this Honourable Court that there appeared to be a very strong

measure of agreement from both the ODCE and the Companies as to the course I propose to follow.

10. I also informed the parties that I was minded to include in my final report, subject to the views of the parties and the approval of this Honourable Court, recommendations of a general nature in relation to the corporate responsibility obligations of Companies, their Directors, Officers and Advisors as informed by the instant investigation.

11. I invited the parties to consider same and to write to me with their considered views. Both the ODCE and the Companies have responded to me in a generally positive manner subject to the caveat that the general recommendations would be contained in a separate and distinct part of the report.

12. I do not believe that the 'addition' of such a general recommendations section will or would add to the length or cost of the investigation and I would ask this Honourable Court to permit me to proceed to do so.

13. I also held a hearing with the legal representatives for the Companies and the individual Directors, Officers and Advisors to hear outline submissions from them in relation to the interviews that I had conducted.

14. As far as next steps are concerned I have informed the Companies that I would furnish to them by early September such adverse findings against the Companies and the individuals as I was minded to make with a view to affording them an opportunity to address same.

15. I would propose allowing the Companies and the individuals (all of whom have the same legal representatives) a short opportunity to consider such interim adverse findings as I may make and to make representations to me in writing and orally if they so require.

16. Thereafter I will proceed to write my report with a view to being in a position to have same completed before the end of the Michaelmas Term. I would ask however that this Honourable Court might adjourn the matter to the 28th January 2010 on my undertaking to use my best endeavours to complete the matter and present my report on or before the 21st December 2009.

17. My task in carrying out the investigation has been greatly facilitated by the level of co-operation from the Companies, their Directors, Officers, Employees and Advisors and by the pro-active and constructive approach of their legal advisors.

18. The tasks which I have been charged with by this Honourable Court are in certain respects reasonably straight forward ones. The back ground is of course more involved and complex and in order to do justice to the report which I am required to prepare, and to the Companies and the individuals the subject of the investigation, it was necessary for me to try to get a full and comprehensive understanding of the background to the 1995 and 2000 transactions which lead to the mammoth High Court litigation. the eventual Supreme Court decision in July 2007, and the subsequent application for my appointment as Inspector.

Bill Shipsey S.C.
High Court Inspector
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27th July 2009