

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION OF THE COMPANY'S SHARES TO TRADING ON THE AIM MARKET OF THE LONDON STOCK EXCHANGE.

If you are in any doubt about the contents of this document, before taking any action you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the UK or another appropriately authorised independent financial adviser if you are in a territory outside the UK who specialises in advising on the acquisition of shares and other securities. The whole of the text of this document should be read.

If you have sold or transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of relevant laws. If you have sold or transferred part only of your holding of Ordinary Shares, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is not an approved prospectus for the purposes of sections 85 and 87 of FSMA. Investment in the Company is speculative and involves a high degree of risk. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

CLIPPER VENTURES PLC

(Incorporated and registered in England and Wales with registered number: 03087938)

PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM OF THE ORDINARY SHARES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Chairman of the Company explaining the background to the proposed cancellation is set out on pages 4 to 7 of this document. A notice convening an extraordinary general meeting of the Company to be held at the Company's registered office, 1A Granary & Bakery Building, Royal Clarence Yard, Weevil Lane, Gosport, Hampshire PO12 1FX, on 18 June 2009 at 9.00 a.m. is set out at the end of this document.

A Form of Proxy accompanies this document. To be valid, Forms of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's registrars, Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 9.00 a.m. on 16 June 2009. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

Copies of this document will be available, free of charge, at the offices of Blake Laphorn, Watchmaker Court, 33 St John's Lane, London EC1M 4DB during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of this document and from <http://www.clipper-ventures.com/index.php/rule26/>.

CONTENTS

	Page
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	2
LETTER FROM THE CHAIRMAN	4
NOTICE OF EXTRAORDINARY GENERAL MEETING	8

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	26 May 2009
Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 16 June 2009
Extraordinary General Meeting	9.00 a.m. on 18 June 2009
Cancellation of admission to trading on AIM of the Ordinary Shares	with effect from 7.00 a.m. on 26 June 2009

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Act"	the Companies Act 1985, as amended
"AIM"	AIM, the market operated by London Stock Exchange
"AIM Rules"	the current version of the AIM Rules for Companies published by the London Stock Exchange
"Cancellation"	the proposed cancellation of admission to trading on AIM of the Ordinary Shares becoming effective in accordance with the AIM Rules
"Company"	Clipper Ventures plc
"Directors" or "Board"	the directors of the Company, whose names are set out on page 4 of this document
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company (including any adjournment thereof), notice of which is set out at the end of this document
"Form of Proxy"	the form of proxy for use at the Extraordinary General Meeting which accompanies this document
"Group"	the Company and its subsidiary undertakings
"London Stock Exchange"	London Stock Exchange plc
"Notice of EGM"	notice of the Extraordinary General Meeting which is set out at the end of this document
"Option Scheme"	the Clipper Ventures plc 1998 Share Option Scheme
"Ordinary Shares"	the 38,992,942 fully paid ordinary shares in the capital of the Company of 1 pence each in issue at the date of this document, and "Ordinary Share" means any one of them
"Shareholders"	the holders of Ordinary Shares and "Shareholder" means any one of them
"Treasury Shares"	the 200,000 Ordinary Shares currently held by the Company in treasury

LETTER FROM THE CHAIRMAN

Clipper Ventures plc

(Incorporated and registered in England and Wales with registered number: 03087938)

Directors:

Sir Robin Knox-Johnston (Chairman)
William Ward (Chief Executive Officer)
Jeremy Knight (Finance Director)
Bob Dench (Non-Executive Director)
David Stubley (Non-Executive Director)

Registered office:

1A Granary & Bakery Building
Royal Clarence Yard
Weevil Lane
Gosport
Hampshire PO12 1FX

26 May 2009

To Shareholders and, for information only, to participants in the Option Scheme

Dear Shareholder

PROPOSED DE-LISTING FROM AIM

Introduction

I am writing to inform you that the Directors have concluded it is no longer in the best interests of the Company or its shareholders to maintain a public listing. Accordingly, earlier today, in accordance with AIM Rule 41, the Company notified the London Stock Exchange that it intends to seek Shareholder approval to cancel the admission to trading of the Ordinary Shares on AIM. The Cancellation is conditional upon the consent of not less than 75 per cent of votes cast by Shareholders at the EGM.

The purpose of this letter is to give you further information as to the reasons why your Directors unanimously consider the Cancellation to be in the best interests of the Company and its shareholders as a whole and to seek your approval to the proposals set out in this document at the EGM convened for this purpose. The Notice of Extraordinary General Meeting is set out at the end of this document.

Current trading and prospects

In January of this year, the Company announced that, since the publication of its half-year results on 27 November 2008, economic uncertainty had continued, leading to price reductions in the corporate entertainment market. As a consequence, the Company took the decision to reduce its expected level of sales and margins in its corporate sailing division. Similarly, the market for sail training was proving difficult and as such, the Company reduced its expected level of income in this division. As announced on 30 March 2009, the Company subsequently entered into an agreement for the sale of the assets, business and brand of its loss-making Zapcat Racing business which faced a very difficult event sponsorship environment.

As a result, and as previously announced in January 2009, the Group anticipates that its operating profit for the year ended 30 April 2009 will be significantly lower than management's previous expectations announced in November 2008. Turnover for the year was materially down compared to the previous year and operating profits are expected to be approximately £0.75m compared to an operating profit of £1.2m in the prior year. As at 30 April 2009, the Group had net cash balances of approximately £2.5m. It is the Board's view that, while the Clipper 09 race due to start in September 2009 will utilise a considerable proportion of this cash, the balance nevertheless provides sufficient working capital for the business over the coming year as well as a small reserve against the anticipated fleet replacement (a project which has now been started and is estimated to involve capital expenditure of approximately US\$10m over the next 4 years). Despite current economic difficulties, the Directors believe the Group's prospects remain sound but do not expect to see significant growth in profitability while the global economic environment remains challenging.

Background to the Cancellation

In light of the above, the Directors have undertaken a review of the benefits of the Ordinary Shares continuing to be traded on AIM, recognising the following key factors:

- the negative impact that the current world recession and falls in the value of global stock markets have had both on the sponsorship market and on small cap, low liquidity stocks generally;
- admission to trading on AIM may no longer serve a useful function for the Company in terms of its ability to access capital;
- the Board's view that the Company's current market capitalisation does not accurately reflect its inherent value (the Company's share price having declined by approximately 54 per cent. between 22 May 2008 and 22 May 2009, being the latest practicable date prior to the date of this document) and that its ability to conclude any potential future corporate transaction could be impeded by the value placed on the Company by the market;
- the relative concentration of the Company's shareholder base, with four Shareholders (two of them Directors) holding approximately 65 per cent. of the Company's issued ordinary share capital, resulting in limited trading liquidity in the Ordinary Shares; and
- the disproportionate amounts of senior management time and regulatory burdens associated with maintaining the Company's admission to AIM and meeting related regulatory, reporting and corporate governance obligations.

Consequently, the Directors do not consider that the Company can justify any longer the costs associated with being publicly listed and, following careful consideration, have concluded that it is no longer in the best interests of the Company and its shareholders to maintain admission of the Ordinary Shares to AIM.

Strategy following the Cancellation

Following the Cancellation, the Directors intend to continue to focus on enhancing Shareholder value by continuing the Company's business in substantially the same manner as at present.

The Company will not be bound to announce material events, interim or final results, nor to comply with any of the corporate governance requirements for quoted companies. However, the Directors wish to assure Shareholders that they remain committed to a high level of transparency and do not intend the Cancellation to significantly impact on the level of disclosure of material events currently made to them. As such, the Board will post relevant information on the Company's website along the lines required by AIM Rule 26. They will also hold annual and general meetings in accordance with statutory requirements and the Company's articles of association, and will continue to send Shareholders copies of the Company's audited accounts. In addition, the Directors intend that the composition of the Board will continue to include at least one independent non-executive Director for so long as this is beneficial and practical.

Treasury shares

On 19 September 2007, pursuant to a general authority given by Shareholders to make market purchases of its own shares, the Company acquired the Treasury Shares. Immediately upon Cancellation becoming effective, the Treasury Shares will cease to be qualifying shares within the meaning of the Act. In accordance with section 162E of the Act, if shares held as treasury shares cease to be qualifying shares, they must be cancelled and the Company's issued share capital reduced by their nominal value. Although relatively immaterial in this case, as a consequence of such cancellation and reduction in the issued share capital of the Company, conditional upon Cancellation becoming effective, the percentage shareholding of each Shareholder will increase proportionately.

Transactions in the Ordinary Shares following Cancellation

Liquidity on AIM is provided by market makers who are member firms of the London Stock Exchange obliged to quote a share price between 8.00 a.m. and 4.30 p.m. on business days. Following the Cancellation, there will no longer be a market facility for dealing in the Ordinary Shares and no price will be publicly quoted. As such, holdings of Ordinary Shares are unlikely to readily be capable of sale and will be difficult to value.

The Directors are aware that Shareholders are likely to wish to continue to acquire or dispose of Ordinary Shares and, accordingly, the Company intends to use reasonable endeavours to put in place and maintain a matched bargain settlement facility.

Under this facility, it is intended that Shareholders or persons wishing to acquire Ordinary Shares will be able to leave an indication with the matched bargain settlement facility provider (which may be the Company Secretary) that they are prepared to buy or sell at an agreed price. In the event that the matched bargain settlement facility provider is able to match that order with an opposite sell or buy instruction, it will contact both parties and then effect the order. Shareholders who do not have their own broker may need to register with the matched bargain settlement facility provider as a new client. This can take some time to process and, therefore, Shareholders who consider they are likely to use this facility are encouraged to register at the earliest opportunity. Once the facility has been arranged, the contact details of the matched bargain settlement facility provider and the process for the buying

and selling of Ordinary Shares will be made available to Shareholders on the Company's website at www.clipper-ventures.com.

Shareholders should note that, following the Cancellation, the Company will remain subject to the provisions of the City Code on Takeovers and Mergers.

Extraordinary General Meeting

The EGM has been convened to approve the Cancellation and will be held at the Company's registered office at 1A Granary & Bakery Building, Royal Clarence Yard, Weevil Lane, Gosport, Hampshire PO12 1FX, on 18 June 2009 at 9.00 a.m.

In accordance with the AIM Rules, it is a requirement that any proposed de-listing from AIM must be approved by not less than 75 per cent of Shareholders voting in general meeting. Accordingly, the notice of Extraordinary General Meeting set out at the end of this document contains a special resolution to approve the application made to the London Stock Exchange for cancellation of admission to trading of the Ordinary Shares on AIM.

Subject to the requisite Shareholder approval, the last day of trading in the Ordinary Shares will be 25 June 2009 and the Cancellation is expected to be effective from 7.00 a.m. on 26 June 2009.

Action to be taken

A Form of Proxy is enclosed for use at the EGM. The Form of Proxy should be completed and signed in accordance with the instructions printed on it and returned to the Company's registrars, Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to be received not later than 9.00 a.m. on 16 June 2009. The completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person should you so wish.

Recommendation

The Board believes that the proposals set out in this document are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of the special resolution to be proposed at the EGM, as those Directors who are Shareholders have undertaken to do in respect of their beneficial shareholdings of 21,569,757 Ordinary Shares which represent, in aggregate, approximately 55.3 per cent. of the current issued ordinary share capital of the Company.

Yours faithfully

Sir Robin Knox-Johnston
Chairman

Clipper Ventures plc

(Incorporated and registered in England and Wales with registered number: 03087938)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Clipper Ventures plc (the "**Company**") will be held on 18 June 2009 at 9.00 a.m. at the Company's registered office, 1A Granary & Bakery Building, Royal Clarence Yard, Weevil Lane, Gosport, Hampshire PO12 1FX, for the purposes of considering and, if thought fit, passing the following special resolution:

SPECIAL RESOLUTION

THAT the admission to trading on AIM (a market operated by London Stock Exchange plc) of the issued ordinary shares of 1p each in the capital of the Company be cancelled and that the directors of the Company be authorised to take all steps which are necessary or desirable in order to effect such cancellation.

Registered office:

1A Granary & Bakery Building
Royal Clarence Yard
Weevil Lane
Gosport
Hampshire PO12 1FX

By Order of the Board

Marie Cockburn
Secretary

26 May 2009

Explanatory Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 9.00 a.m. on 16 June 2009 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 9.00 a.m. on 16 June 2009 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by photocopying the enclosed proxy form. You will need

to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he so wishes.

3. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
4. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or duly authorised officer.
5. To be valid, the enclosed form of proxy must be completed, signed and sent to the offices of the Company's registrars, Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 9.00 a.m. on 16 June 2009 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2. above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.
7. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
 - (a) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (b) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (<http://www.icsa.org.uk/>) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in paragraph (a) above.

8. As at 22 May 2009 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 38,992,942 ordinary shares of 1 pence each. Each ordinary share carries one vote and the total voting rights in the Company as such date are, therefore, 38,992,942.