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28 March 2008

Dear Sir or Madam

**Sale of 18.73 units of English Non-SDA (EOUT) Normal (NML) Entitlements for the Single Payment Scheme Year 2008 at a Price of £250.00 per Unit**

Thank you for your valued enquiry to buy entitlements through this agency. I have summarised the 58.66 entitlements awarded in 2005:

|                           |                 |                          |              |
|---------------------------|-----------------|--------------------------|--------------|
| Entitlement ID            | <b>10564462</b> | National Reserve Award   | <b>€0.00</b> |
| Area                      | <b>EOUT</b>     | Sugar Beet 2005          | <b>0</b>     |
| Total Number Awarded 2005 | <b>58.66</b>    | Milk Quota 2005          | <b>0</b>     |
| Type                      | <b>NML</b>      | Number to be Transferred | <b>18.73</b> |

The above factors derive an annual value for the entitlements which will provide a Single Payment to the holder of those entitlements during the years 2008 - 2012:

| Year                     | €/ Ha   |           | Single Payment / Ha |            |         | NPV<br>£ / Ha  |
|--------------------------|---------|-----------|---------------------|------------|---------|----------------|
|                          |         |           | Gross               | Modulation | Net     |                |
| 2005                     | €374.44 | £0.681950 | £255.35             | 5.00%      | £242.58 |                |
| 2006                     | €370.08 | £0.677700 | £250.80             | 10.00%     | £225.72 |                |
| 2007                     | €361.72 | £0.696800 | £252.05             | 17.00%     | £209.20 |                |
| 2008                     | €352.17 | £0.720000 | £253.56             | 18.00%     | £207.92 | £196.48        |
| 2009                     | €342.61 | £0.720000 | £246.68             | 19.00%     | £199.81 | £177.83        |
| 2010                     | €333.05 | £0.720000 | £239.80             | 19.00%     | £194.24 | £162.19        |
| 2011                     | €323.49 | £0.720000 | £232.91             | 19.00%     | £188.66 | £147.15        |
| 2012                     | €317.12 | £0.720000 | £228.33             | 19.00%     | £184.95 | £134.09        |
| <b>Total 2008 - 2012</b> |         |           |                     |            |         | <b>£817.74</b> |

At a price of £250.00 per unit the cost of these entitlements represents:

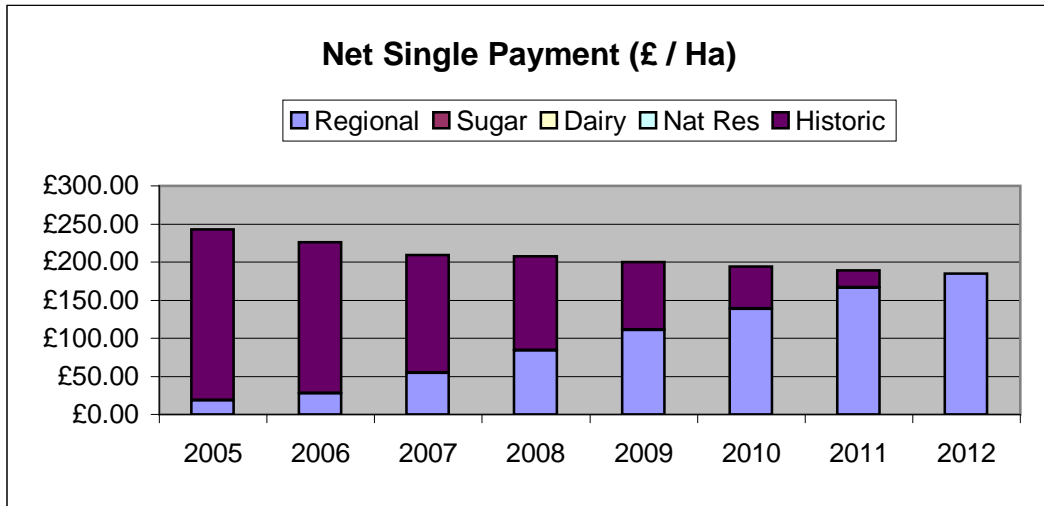
- 1 A multiple of 1.20 times the projected net 2008 Single Payment of £207.92 / Ha, and
- 2 30.57% of the Net Present Value (£817.74) of the projected Single Payments for the period 2008 - 2012 applying an interest rate of 5.50% per annum.

The source of the Historic Payments can be derived from a combination of:

- a) Dairy Premium, which is calculated with reference to the volume of Milk Quota held on 31 March 2005,
- b) Sugar Premium, which is calculated with reference to the tonnage of Sugar Beet Contract held in 2005 (the 2005/2006 marketing year),
- c) An allocation from the National Reserve (if any), and
- d) The Historic claims record in the years 2000 - 2002.

*Continued overleaf*

I have displayed the pattern of the Net Single Payment from Entitlement ID 10564462 below:



Having considered this proposal, please contact us as soon as possible so that we can confirm with the Vendor that the entitlements are still available to be sold.

Yours faithfully

Duncan C R Clark  
DCFM Quotas Ltd  
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Whilst DCFM have used all reasonable efforts to project the future payments from these entitlements, DCFM cannot and will not be held responsible for commercial decisions based upon them or any losses arising therefrom