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**From:** @Exim  
**Sent:** Wednesday, November 24, 1999 8:51 PM  
**To:** Gregory  
**Subject:** ESL Project

Alphan - hope the trip to France was worthwhile - returning to UK tomorrow I hope is not too much flying time!! Unfortunately I am leaving for Kuwait on Friday as I have meetings with the Minister over the Saturday and Sunday.

As to the issues we have recently discussed my understanding is as follows:

1. You wish us to develop the radio based electronic shelf label which can meet the outline specification we have discussed over the past two months. The exact specification you are preparing and will relay to us as soon as this is complete.

2. Once we have reviewed the specification we will be able to respond with a clearer timetable for delivery of the prototype. At that time we will obviously then be able to be more precise as to the indicative production cost and the components which may be required by the production processes.

3. Teknoloji Holdings and the Poole personnel will become shareholders in a new company which will be established to exploit the ESL product. To this end you have already identified a party that may be prepared to invest funds to bring the product to market and build the support infrastructure which may be required.

4. The intention would be in due course to arrange an IPO for this new company. We will need to determine which is likely to be the "best" exchange for this exercise ie London, Istanbul, NASDAQ etc. This will be a guide as to where the company should be incorporated. Also if the markets are to be outside Turkey then this also needs to be taken into account. In this regard an UK incorporated company may have advantages?

5. The three Poole personnel would participate in NEWCO to the extent of 25% of the issued equity. This will be held by another company incorporated for the purpose and owned by the three individuals - PH, PG and myself.

6. The IPR in the ESL product would be held by NEWCO.

The above I hope accurately reflects our conversation.

Looking forward to hearing from you as to the next stage.

Regards  
Gregory