

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended.

If you have sold or transferred all of your Ordinary Shares in Cantono plc, please send this document, together with the accompanying Form of Proxy, as soon as possible 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. If you have sold part only of your holding of Ordinary Shares in Cantono plc, you should retain these documents.

The Directors, whose names appear on page 5 accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on page 5 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

CANTONO PLC

(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 5354873)

Debt for Equity Conversion and Proposed Transfer & Notice of Extraordinary General Meeting

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Cantono plc and for no one else in connection with the Transaction and will not be responsible to anyone other than Cantono plc for providing the protections afforded to clients of WH Ireland Limited or for providing advice in relation to the Transaction.

Notice convening an Extraordinary General Meeting of Cantono plc to be held at the offices of Halliwells LLP, One Threadneedle Street, London, EC2R 8AW at 10.00 am on 4 May 2007 is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible but in any event by not later than 10.00 am on 2 May 2007. Completion and posting of the Form of Proxy does not prevent a shareholder from attending and voting in person at the Extraordinary General Meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy in respect of the EGM	10.00 am on 2 May 2007
Extraordinary General Meeting	10.00 am on 4 May 2007

KEY STATISTICS

Existing Ordinary Shares	306,874,037
Ordinary Shares to be issued pursuant to the Debt for Equity Conversion	60,869,036
Enlarged issued share capital following the Debt for Equity Conversion	367,743,073

DEFINITIONS

“Act”	the Companies Act 1985 (as amended)
“Admission”	the Admission of the Debt for Equity Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	a market operated by London Stock Exchange plc
“AIM Rules”	the rules governing the admission to and the operation of AIM published by London Stock Exchange plc, as amended from time to time
“the Board” or “the Directors”	the directors of the Company at the date of this document
“Brunswick”	Brunswick Investment Holdings Limited
“Company” or “Cantono”	Cantono plc
“Debt for Equity Conversion”	the conversion by Brunswick and Edenmore of, in aggregate, £4,029,000 of debt into 60,869,036 Ordinary Shares, details of which are set out in this document
“Debt for Equity Shares”	60,869,036 Ordinary Shares to be issued and allotted pursuant to the Debt for Equity Conversion
“DDBs”	deep discount bonds to the value of £4,191,198 issued to BIHL on 29 April 2005
“Edenmore”	Edenmore Investments Limited, a company incorporated in Cyprus, which is controlled by Mr Giertz
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company, convened for 10.00 am on 4 May 2007, and any adjournment thereof, notice of which is set out at the end of this document
“Existing Ordinary Shares”	the 306,874,037 Ordinary Shares in issue at the date of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by holders of Ordinary Shares in connection with the EGM
“Group”	Cantono and its subsidiaries
“Mr Giertz”	Sam Giertz, vice president of sales for Panopticon

“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panopticon”	Panopticon Software AB, a company registered in Sweden with company number 556614-0686 and whose principal office is Brunnsgatan 9, se-111 87 Stockholm, Sweden
“Panopticon Shares”	the 907 A shares in Panopticon held by the Group comprising in aggregate 54.34 per cent. of Panopticon's issued share capital
“ Proposed Transfer”	the proposed transfer of the Panopticon Shares to Edenmore as part consideration for the deemed repayment in full of the DDB debt due to Edenmore, details of which are set out in this document
“Resolutions”	the resolutions to be proposed at the EGM, details of which are set out in the notice of EGM at the end of this document
“Shareholders”	holders of Ordinary Shares
“Spotfire”	Spotfire Holdings Inc., a private company registered in the State of Massachusetts
“Transaction”	the Proposed Transfer and the Debt for Equity Conversion
“WH Ireland”	WH Ireland Limited

LETTER FROM THE CHAIRMAN OF CANTONO PLC

Cantono plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5354873)

Directors:

Eamus Halpin (*Chairman and Chief Executive Officer*)
Michael Northall (*Executive Director*)
Graham Partridge (*Finance Director*)
Paul Webb (*Executive Director*)
Ian Williams (*Executive Director*)

Registered Office:

Station House
4-8 High Street
Yiewsley
West Drayton
Middlesex
UB7 7DJ

11 April 2007

To the holders of Existing Ordinary Shares

Dear Sir/Madam,

Debt for Equity Conversion and Proposed Transfer & Notice of Extraordinary General Meeting

Introduction

The Company announced on 7 March 2007, that an offer had been received from Spotfire for the entire issued share capital of Panopticon, including the Group's 54.34 per cent. shareholding in that company. At the Extraordinary General Meeting held on 23 March 2007, Shareholders approved the ordinary resolution to authorise the Group to enter into a proposed disposal agreement between Spotfire and the Panopticon shareholders.

The Company has now been informed that, owing to reasons unconnected with its proposed acquisition of the entire issued share capital of Panopticon, Spotfire has withdrawn from negotiations and will not proceed with the proposed transaction at this time.

Shareholders are aware that the operations of Panopticon are not deemed to be core activities of the Group which, following the acquisitions of Blue River Systems Limited, NSA Solutions Limited and CSF Managed Services plc, is focused on providing managed services to a range of customers.

Shareholders are also aware that under the proposed transaction with Spotfire the consideration received would have been used to reduce the Company's long-term debt obligations.

The Directors believe that the Spotfire transaction is unlikely to recommence and complete in the near future and have therefore decided to implement an alternative strategy in order to reduce the uncertainty of the disposal of the Panopticon Shares and to enable the Company to remove all remaining long-term debt from the business.

Alternative Transaction

I am pleased to inform you that agreements have been entered into, conditional upon the passing of the Resolutions and Admission, to remove the DDB debt and to effect the sale of the Panopticon Shares. These transactions involve the following steps which will be carried out simultaneously:

Step 1

Brunswick will assign £2,681,203 of the DDB debt owed to it by the Company to Edenmore. This will leave outstanding DDB debt due to Brunswick from the Company of £1,509,995. The Company and Brunswick have agreed that £1,347,797 of remaining DDB debt due to Brunswick will be deemed to have been repaid in full in consideration for the allotment and issue to Brunswick of 24,505,400 Ordinary Shares at 5.5p per share. As a gesture of goodwill Brunswick has agreed that the residual balance of £162,198 of DDB debt will be written off.

Step 2

It has been agreed that the remaining £2,681,203 DDB debt owing to Edenmore will be deemed to have been repaid in full in consideration for the transfer to Edenmore of the Panopticon Shares and the allotment and issue to Edenmore of 36,363,636 Ordinary Shares at 5.5p per share. Edenmore has also undertaken not to dispose of these Ordinary Shares for 12 months from completion of the agreement and has further undertaken not to dispose of such shares following the expiration of that 12 month period other than through WH Ireland as broker to the Company so as to maintain an orderly market in the Company's shares.

As part of the agreement with Edenmore it has also been agreed that the Group is entitled to receive additional consideration in respect of the disposal of the Panopticon Shares equal to 10 per cent. of any sale consideration received by Edenmore should Panopticon be sold for US\$20m or more within three years of completion of the agreement.

The net effect of the Transaction is as follows:

- all DDBs are removed from the Company's balance sheet;
- 60,869,036 new Ordinary Shares are issued, in aggregate, to Brunswick and Edenmore;
- the Panopticon Shares are transferred to Edenmore; and
- the Debt for Equity Shares are to be allotted at an agreed price of 5.5p per share.

Following the Transaction, Brunswick's shareholding will increase to 109,955,054 Ordinary Shares, representing approximately 29.90 per cent. of the Company's enlarged issued share capital.

Edenmore will hold 36,363,636 Ordinary Shares, representing approximately 9.89 per cent. of the Company's enlarged issued share capital.

The Ordinary Shares issued to Brunswick and Edenmore pursuant to the Transaction will rank *pari passu* in all respects with all other existing Ordinary Shares in the capital of the Company. As stated above, completion of the Transaction is conditional upon Admission and the Company

will apply for the Debt for Equity Shares to be admitted to trading on AIM as soon as is practicable following the passing of the Resolutions.

Panopticon

Panopticon is a Swedish company based in Stockholm and has offices in London and New York. It is a supplier of professional visual business intelligence to the financial services industry as well as other fields of business. Panopticon's software acts as a decision-making catalyst and allows users to:

- Easily visualise large volumes of information;
- Configure views of the information required;
- Drill-down to more detailed information; and
- Interpret data more efficiently.

The Company, via its wholly-owned subsidiary, Hamsard Holdings Limited, owns 907 A ordinary shares in the capital of Panopticon representing 54.34 per cent. of Panopticon's issued share capital and entitling it to 70.75 per cent. of the voting rights.

For the year ended 31 May 2006, the audited results of Panopticon recorded turnover of £3,063,387 with profit before tax of £757,316.

For the six months ended 30 November 2006, the unaudited results of Panopticon recorded turnover of £225,810 with a loss before tax of £601,796. Panopticon had fixed assets of £997,166 at 30 November 2006.

Willem De Geer is Panopticon's chief executive officer and has a beneficial interest in 132 A ordinary shares and 195 B ordinary shares in the capital of Panopticon constituting 19.59 per cent. of Panopticon's issued share capital and an entitlement to 11.82 per cent. of the voting rights.

It has been agreed that Willem will resign from the Board with effect from the close of business today. The Board would like to thank Willem for his contribution to the Group during his time as a Director.

Edenmore holds 43 A ordinary shares and 99 B ordinary shares in the capital of Panopticon, as at the date of this document, representing 8.51 per cent. of Panopticon's issued share capital and an entitlement to 4.13 per cent of the voting rights.

Reasons for the Proposed Transfer

As already disclosed to Shareholders, Panopticon is not core to the Group's business activities, which are focused on managed services. The Proposed Transfer together with the Debt for Equity Conversion will enable the Company to remove all DDB debt.

Resolutions

In order to carry out the Transaction the Directors need authority from the Shareholders to approve the Proposed Transfer and to allot Ordinary Shares and to allot such shares free from the statutory pre-emption rights. The Resolutions seek to give the Directors these authorities and a notice convening the EGM is included at the back of this document. The EGM has been

convened for 10.00 am on 4 May 2007 to be held at the offices of Halliwells LLP, One Threadneedle Street, London, EC2R 8AW.

Action to be taken

A Form of Proxy is enclosed for use at the EGM. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible but in any event so as to arrive not later than 10.00 am on 2 May 2007. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you subsequently wish to do so.

Recommendation

The Directors consider, having consulted with WH Ireland as its nominated adviser, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings of 27,154,550 Ordinary Shares representing 7.38 per cent. of the Existing Ordinary Shares.

Yours faithfully
Eamus Halpin
Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

CANTONO PLC

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company will be held at Halliwells LLP, One Threadneedle Street, London, EC2R 8AW on 4 May 2007 at 10.00 am for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as to resolutions 1 and 2 as ordinary resolutions and resolution 3 as a special resolution:

ORDINARY RESOLUTIONS

- 1 **THAT** the transfer of the Panopticon Shares pursuant to and on the terms and conditions of an agreement dated 11 April 2007 made between the Company (1), Hamsard Holdings Limited (2) and Edenmore Investments Limited (3) as described more fully in the circular of the Company dated 11 April 2007 (the "**Edenmore Agreement**") be and is hereby approved (subject to such non-material variations as the directors of the Company shall, in their absolute discretion, think fit) and that the directors be and are hereby authorised to take all such steps as they may consider necessary or desirable to implement the Edenmore Agreement in accordance with its terms.
- 2 **THAT** in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 80 of the Companies Act 1985 (the "Act") to:
 - 2.1 allot up to 60,869,036 Ordinary Shares in connection with the Debt for Equity Conversion (as such term is defined in the circular accompanying this notice);
 - 2.2 otherwise than pursuant to resolutions 2.1, allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £1,300,000 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution (if earlier) except that the directors may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors may allot relevant securities in pursuance of that offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

- 3 **THAT** subject to and conditional on the passing of resolution 2 above and in substitution for all existing and unexercised authorities the directors of the Company be empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority conferred upon them by the preceding resolution for cash as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - 3.1 in connection with an offer of such securities by way of rights issue;
 - 3.2 as detailed in resolution 2.1 above; and

3.3 otherwise than pursuant to resolutions 3.1 and 3.2 above, up to an aggregate nominal amount of £552,000,

and shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) 15 months from the date of passing of this resolution save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

In this resolution, "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders on the register on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

BY ORDER OF THE BOARD

W B Homan-Russell
Secretary

Dated: 11 April 2007

Notes:

- 1 A person entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. A proxy need not be a member of the Company. Appointment of proxies does not preclude members from attending and voting at the meeting should they wish to do so.
- 2 To be valid, the instrument appointing a proxy must be deposited at the office of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time of the meeting.
- 3 As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 10.00 am on 2 May 2007 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after 10.00 am on 2 May 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Capita Registrars (whose CREST ID is RA10) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.