

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. This document relates to a proposal which, if implemented, will result in the cancellation of the admission to, and trading of, FuturaGene Shares on AIM. If you are in any doubt about the offer or what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser.**

This document should be read in conjunction with the accompanying blue and white Forms of Proxy.

If you have sold or otherwise transferred all your FuturaGene Shares, please forward this document and the accompanying Forms of Proxy as soon as possible to the buyer or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made for delivery to the buyer or transferee. Such documents should not, however, be mailed, transmitted or distributed, in whole or in part, in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold part only of your holding of FuturaGene Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

**The release, publication or distribution of this document and/or the accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

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**Recommended cash acquisition**

of

**FUTURAGENE PLC**

by

**SUZANO TRADING LIMITED**

**(a wholly-owned subsidiary of Suzano Papel e Celulose S.A.)**

**to be effected by means of a scheme of arrangement**

**under Part 26 of the Companies Act 2006**

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You should read carefully the whole of this document and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Chairman of FuturaGene in **Part I** of this document, which contains the unanimous recommendation of the FuturaGene Directors that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting to implement the Scheme. A letter from Evolution Securities explaining the Scheme appears in **Part II** of this document and constitutes an explanatory statement in compliance with Part 26 of the Companies Act 2006.

Notices convening the Court Meeting and the General Meeting, each of which will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE on 21 June 2010 are set out at **Parts VIII and IX** (respectively) of this document. The Court Meeting will start at 10.30 a.m. and the General Meeting at 10.40 a.m. (or as soon thereafter as the Court Meeting is concluded).

**The action to be taken in respect of the Meetings is set out on page 11 and also in paragraph 20 of Part II of this document. FuturaGene Shareholders will find enclosed with this document a blue Form of Proxy for use in connection with the Court Meeting and a white Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the Meetings in person, please complete and sign the enclosed Forms of Proxy in accordance with the instructions printed thereon and return them to Capita Registrars, at PXS, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible and, in any event, so as to be received at least 48 hours (excluding any part of a day which is not a working day) before the time appointed for the relevant Meeting (or, in the case of an adjournment of either Meeting, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the adjourned Meeting). A pre-paid envelope is provided for this purpose for use in the United Kingdom only. If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to Capita Registrars, on behalf of the chairman of the Court Meeting, at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time mentioned in the instructions printed thereon, it will be invalid. The completion and return of a Form of Proxy or CREST proxy instruction will not prevent you from attending and voting in person at the Court Meeting or the General Meeting or any adjournment thereof, if you so wish and are so entitled.**

If you hold your FuturaGene Shares in uncertificated form (that is in CREST), you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. Proxies submitted via CREST (under CREST participant RA10) must be received by Capita Registrars not later than 10.30 a.m. on 17 June 2010 in the case of the Court Meeting and by 10.40 a.m. on 17 June 2010 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time of the adjourned meeting).

Evolution Securities, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for FuturaGene and no one else in connection with the Proposal and will not be responsible to any person other than FuturaGene for providing the protections afforded to clients of Evolution Securities or for providing advice in relation to the Proposal, the content of this document or any matter referred to herein. Neither Evolution Securities nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evolution Securities in connection with this document, any statement contained herein or otherwise.

BNP Paribas, London Branch ("BNPP") is authorised by CECEI and supervised by the Commission Bancaire. It is also authorised and subject to limited regulation by the FSA. BNPP is acting for Suzano Bidco and Suzano Papel e Celulose and no one else in connection with the Proposal and will not be responsible to anyone other than Suzano Bidco and Suzano Papel e Celulose for providing the protections afforded to clients of BNPP or for providing advice in relation to the Proposal.

**As FuturaGene's place of central management and control is outside the UK and the FuturaGene Shares are not traded on a UK regulated market, the Panel has ruled that it does not have jurisdiction over the Proposal and accordingly the Code does not apply to the Proposal.**

## IMPORTANT NOTICE

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared for the purposes of complying with English law and the AIM Rules. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction. Overseas Shareholders should consult their own legal and tax advisers with regard to the legal and tax consequences of the Scheme on their particular circumstances.

The Proposal is intended to be implemented by way of a court-sanctioned scheme of arrangement under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act of 1934. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangements which differ from the disclosure requirements under the US tender offer rules. If, in the future, Suzano Bidco exercises its right to implement the Acquisition by way of a takeover offer and such takeover offer is made into the United States, such offer will be made in compliance with applicable US laws and regulations.

This document and the accompanying documents do not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities or the solicitation of any vote or approval pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

Copies of this document and/or any accompanying documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Proposal is implemented by way of a takeover offer (unless otherwise determined by Suzano Bidco and permitted by applicable law and regulation), the takeover offer may not be made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national state or securities exchange of any Restricted Jurisdiction and the takeover offer may not be capable of acceptance by any such use, means, instrumentality or facility.

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of FuturaGene or the FuturaGene Group and certain plans and objectives of the FuturaGene Board, Suzano Bidco Board and Suzano Papel e Celulose Board. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the FuturaGene Board, Suzano Bidco Board and Suzano Papel e Celulose Board (as the case may be) in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

**Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. None of FuturaGene, Suzano Bidco nor Suzano Papel e Celulose assumes any obligation to update or correct the information contained in this document.**

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Neither FuturaGene, Suzano Bidco nor Suzano Papel e Celulose undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of FuturaGene, Suzano Bidco or Suzano Papel e Celulose except where otherwise explicitly stated.

#### **ACTION TO BE TAKEN**

**The Court Meeting and the General Meeting will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE on 21 June 2010 at 10.30 a.m. and 10.40 a.m. respectively (or, in the case of the General Meeting, as soon thereafter as the Court Meeting is concluded). The Scheme requires FuturaGene Shareholder approval at both of the Meetings.**

Please check that you have received the following with this document:

- a blue Form of Proxy for use in respect of the Court Meeting;
- a white Form of Proxy for use in respect of the General Meeting; and
- a pre-paid envelope for use in the United Kingdom only.

If you have not received all of these documents, please contact the Registrars on the helpline telephone number indicated below.

#### **To vote on the Proposal:**

**Whether or not you plan to attend the Meetings, please complete and sign the blue and white Forms of Proxy and return them to the Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible, but in any event so as to be received by Capita Registrars no later than 10.30 a.m. on 17 June 2010, in the case of the Court Meeting (blue form) and by no later than 10.40 a.m. on 17 June 2010, in the case of the General Meeting (white form) (or, in the case of an adjournment of either Meeting, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned Meeting).** This will enable your votes to be counted at the Meetings in the event of your absence. If the blue Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to Capita Registrars, on behalf of the chairman of the Court Meeting, at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time mentioned in the instructions printed thereon, it will be invalid.

The completion and return of a Form of Proxy or CREST proxy instruction will not prevent you from attending and voting in person at either Meeting, or any adjournment thereof, in person should you wish to do so and are so entitled.

If you hold your FuturaGene Shares in uncertificated form (that is in CREST), you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. Proxies submitted via CREST (under CREST participant RA10) must be received by Capita Registrars not later than 10.30 a.m. on 17 June 2010 in the case of the Court Meeting and by 10.40 a.m. on 17 June 2010 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time of the adjourned meeting).

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as may be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST

sponsor or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF FUTURAGENE SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.**

### **Helpline**

If you have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please telephone Capita Registrars between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and/or date</i>
Latest time for receipt of blue Form of Proxy for the Court Meeting	10.30 a.m. on 17 June 2010 <sup>(1)</sup>
Latest time for receipt of white Form of Proxy for the General Meeting	10.40 a.m. on 17 June 2010 <sup>(1)</sup>
Voting Record Time	6.00 p.m. on 19 June 2010 <sup>(2)</sup>
Court Meeting	10.30 a.m. on 21 June 2010
General Meeting	10.40 a.m. on 21 June 2010 <sup>(3)</sup>
The following dates are subject to change (please see note (4) below)	
Scheme Court Hearing date	8 July 2010 <sup>(4)</sup>
Last day of dealings in, and for registration of transfers of, and disablement in CREST of FuturaGene Shares	9 July 2010 <sup>(4)</sup>
Reduction Record Time	6.00 p.m. on 9 July 2010 <sup>(4)</sup>
Reduction Court Hearing date	12 July 2010 <sup>(4)</sup>
Effective Date of the Scheme	13 July 2010 <sup>(4)</sup>
Cancellation of admission to trading on AIM of FuturaGene Shares	7.00 a.m. on 13 July 2010 <sup>(4)</sup>
Latest date for payment of the Consideration	27 July 2010 <sup>(4)</sup>

### Notes:

- (1) If the blue Form of Proxy for the Court Meeting is not received by the Registrars by 10.30 a.m. on 17 June 2010, it may be handed to the Registrars on behalf of the chairman of the Court Meeting at the Court Meeting at any time before the taking of the poll at that meeting and will still be valid. However, the white Form of Proxy for the General Meeting must be returned to the Registrars so as to be received by 10.40 a.m. on 17 June 2010 or otherwise it will not be valid.
- (2) If either Meeting is adjourned, the Voting Record Time for the adjourned Meeting will be 6.00 p.m. on the date two days before the date set for the adjourned Meeting.
- (3) The General Meeting will commence at 10.40 a.m. on 21 June 2010 or, if later, immediately after the conclusion of the Court Meeting.
- (4) These times and dates are indicative only and will depend, amongst other things, on whether the Conditions are satisfied or (if capable of waiver) waived, the dates upon which the Court sanctions the Scheme and confirms the associated Reduction of Capital and the dates on which (i) the Court Orders are delivered to the Registrar of Companies; and (ii) if the Court so orders, in respect of the Reduction of Capital, the Reduction Court Order and the Statement of Capital are registered by the Registrar of Companies. If the expected date of the Court Hearing (and consequently the Effective Date) is changed, FuturaGene will give notice of any change to the extent practicable by issuing an announcement through a RIS.

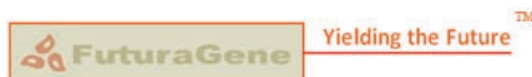
Unless otherwise stated, all references to times in this document are to London times.

**The Court Meeting and the General Meeting will each be held at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE.**

## PART I

### LETTER OF RECOMMENDATION FROM THE CHAIRMAN OF FUTURAGENE

*(Incorporated and registered in England and Wales with number 04001406)*



*Directors of FuturaGene:*

Mark Pritchard, *Non Executive Chairman*  
Dr. Stanley Hirsch, *Chief Executive Officer*  
Dr. Ziv Shani, *Executive Director, Group Director of R&D*  
Peter Toynton FCA, *Non Executive Director*  
Dr. Michael Fromm, *Non Executive Director*  
Gaetan Waucquez, *Non Executive Director*

*Registered and head office:*

Ten Dominion Street  
London  
EC2M 2EE

28 May 2010

**To: FuturaGene Shareholders and, for information only, to FuturaGene Optionholders and FuturaGene Warrant Holders**

Dear FuturaGene Shareholder,

**Recommended proposal for the acquisition of the entire issued and to be issued share capital of FuturaGene for cash by Suzano Trading Limited (a wholly-owned subsidiary of Suzano Papel e Celulose S.A.)**

#### **1. Introduction**

It was announced on 23 February 2010 that FuturaGene had received a preliminary approach which may or may not lead to an offer for FuturaGene. It was subsequently announced on 13 May 2010 that the FuturaGene Board and the Suzano Papel e Celulose Board had reached agreement on the terms of a recommended all cash offer for the entire issued and to be issued ordinary share capital of FuturaGene by Suzano Bidco, a wholly-owned subsidiary of Suzano Papel e Celulose, other than FuturaGene Shares already held by the Suzano Group (currently 4,374,633 FuturaGene Shares, representing approximately 7.4 per cent. of the current issued share capital of FuturaGene) at 90 pence per FuturaGene Share.

The Proposal will be effected by means of a court-sanctioned scheme of arrangement between FuturaGene and the Scheme Shareholders under Part 26 of the Companies Act 2006, involving a reduction of capital under the Companies Act 2006 (although Suzano Bidco reserves the right to switch to a takeover offer as the means of effecting the Proposal).

I am writing to you to explain the background to, and terms of, the Proposal and why the FuturaGene Board, which has been so advised by Evolution Securities, considers the terms of the Proposal to be fair and reasonable and why it is recommending unanimously that FuturaGene Shareholders vote (or procure voting) in favour of the resolutions relating to the Proposal at the Court Meeting and the Special Resolution at the General Meeting as those FuturaGene Directors have irrevocably undertaken to do (or (as applicable) to use their reasonable endeavours to procure to be done or to request that the Trustee, who holds certain FuturaGene Shares in which certain of the FuturaGene Directors are interested, does) in respect of their interest in FuturaGene Shares, representing approximately:

- 8.3 per cent. of the current issued share capital of FuturaGene eligible to be voted at the Court Meeting; and
- 7.6 per cent. of the current issued share capital of FuturaGene eligible to be voted at the General Meeting.

In giving its advice, Evolution Securities has taken into account the commercial assessments of the FuturaGene Directors. In order to approve the Proposal, the FuturaGene Shareholders need to vote in favour of the resolutions to be proposed at the Court Meeting and the Special Resolution to be proposed at the General Meeting, both of which will be held on 21 June 2010.

Details of the FuturaGene Board's recommendation and the actions you should take are set out in **paragraphs 4 and 12** of this letter.

The explanatory statement in compliance with Part 26 of the Companies Act 2006 is set out in **Part II** of this document.

## **2. The Proposal**

Under the terms of the Proposal, which is subject to the terms and Conditions set out in **Part III** of this document, all Scheme Shares will be cancelled and, in consideration, Scheme Shareholders will receive:

**for each Scheme Share      90 pence in cash**

The Proposal values the entire issued and to be issued share capital of FuturaGene at approximately £59.2 million and represents a premium of approximately:

- 7.1 per cent. to the Closing Price of 84 pence per FuturaGene Share on 22 February 2010 (being the last Business Day prior to the announcement that FuturaGene had received an approach which may lead to an offer);
- 41.2 per cent. to the average Closing Price for the one month period ended on 12 May 2010 (being the last Business Day prior to the date of the Announcement), being 63.8 pence per FuturaGene Share; and
- 35.3 per cent. to the Closing Price of 66.5 pence per FuturaGene Share on 12 May 2010.

It is expected that (subject to satisfaction or (if capable of waiver) waiver of the Conditions) the Effective Date will be 13 July 2010. If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted at the Meetings. Further details of the Scheme are set out in the explanatory statement in **Part II** of this document.

The Acquisition will be implemented by means of a scheme of arrangement between FuturaGene and the Scheme Shareholders under Part 26 of the Companies Act 2006, involving a reduction of capital under the Companies Act 2006 and will be conditional upon, amongst other things, the approval of the Scheme by FuturaGene Shareholders and the sanction of the Scheme by the Court. The Acquisition is also subject to the Conditions as set out in **Part III** of this document.

## **3. Suzano Papel e Celulose's rationale for the acquisition of FuturaGene**

Suzano Papel e Celulose has a long history of forestry innovation which has been focused on increasing productivity and sustainability. Suzano Papel e Celulose has had a eucalyptus breeding program for over 30 years which has led to the creation of one of the most comprehensive eucalyptus genetic data bases in the world. The clones and seeds developed in the program are suitable for plantation in a broad range of soil and climate conditions.

Since 2001, Suzano Papel e Celulose and FuturaGene have worked closely to develop and test genetically modified eucalyptus, combining certain FuturaGene technologies and Suzano Papel e Celulose's elite clones in order to create eucalyptus varieties with higher yields.

The acquisition of FuturaGene will enhance Suzano Papel e Celulose's innovation strategy while providing the environment for the continued development of FuturaGene's technologies.

## **4. Recommendation**

**The FuturaGene Board, which has been so advised by Evolution Securities, considers the terms of the Proposal to be fair and reasonable. In providing advice to the FuturaGene Board, Evolution Securities has taken into account the commercial assessments of the FuturaGene Board.**

Accordingly, the FuturaGene Board unanimously recommends that FuturaGene Shareholders vote (or procure voting) in favour of the resolutions relating to the Proposal at the Court Meeting and the Special Resolution at the General Meeting (or in the event that the Proposal is implemented by way of a takeover offer, accept or procure acceptance of such offer), as the FuturaGene Directors have irrevocably undertaken to do (or (as applicable) to use their reasonable endeavours to procure to be done or to request that the Trustee who holds certain FuturaGene Shares in which certain of the FuturaGene Directors are interested, does) in respect of their own holdings of FuturaGene Shares amounting to, in aggregate, 4,507,845 FuturaGene Shares, representing approximately:

- 8.3 per cent. of the current issued share capital of FuturaGene eligible to be voted at the Court Meeting; and
- 7.6 per cent. of the current issued share capital of FuturaGene eligible to be voted at the General Meeting.

## 5. Background to and reasons for the recommendation

The FuturaGene Directors identified that it was necessary for FuturaGene to be substantially larger in order to create further liquidity in the FuturaGene Shares and to attract further support from institutional investors; they do not believe that FuturaGene has reached a size where it has the necessary critical mass in the public markets. The FuturaGene Board also recognises that there are still significant regulatory and commercial issues that will need to be overcome before FuturaGene is capable of becoming cash flow positive and, in the event that FuturaGene requires further financing, it is likely that this will need to be raised through further equity issues, which are likely to be dilutive for the shareholdings of FuturaGene Shareholders. The FuturaGene Board has therefore concluded that it is appropriate to realise shareholder value by alternative means.

The price of 90 pence in cash for each FuturaGene Share represents a substantial premium to the FuturaGene share price of 66.5 pence per FuturaGene Share on the Business Day prior to the date of the Announcement, and represents an opportunity for FuturaGene Shareholders to realise the whole of their investment in cash at a value which might otherwise have been difficult to obtain in the short to medium term. After thorough deliberation and professional advice, the FuturaGene Directors have decided to recommend the Proposal as they believe that it represents fair value to FuturaGene Shareholders.

## 6. Irrevocable undertakings

Suzano Bidco has received irrevocable undertakings from those FuturaGene Directors who hold FuturaGene Shares and from certain other FuturaGene Shareholders in respect of, in aggregate, 23,586,502 FuturaGene Shares representing approximately:

- 43.2 per cent. of FuturaGene's current issued share capital eligible to be voted at the Court Meeting; and
- 40 per cent. of FuturaGene's current issued share capital eligible to be voted at the General Meeting;

(i) to vote (or (as applicable) to use reasonable endeavours to procure voting or, in the case of 1,128,445 FuturaGene Shares, to request that the Trustee, in whose name such FuturaGene Shares are registered, vote) in favour of the resolutions relating to the Proposal at the Court Meeting and the Special Resolution at the General Meeting and (ii) if the Proposal is subsequently structured as a takeover offer, to accept (or (as applicable) to use reasonable endeavours to procure the acceptance of or, in the case of 1,128,445 FuturaGene Shares, to request that the Trustee accepts) any potential recommended takeover offer by Suzano Bidco.

As explained in the Announcement, the irrevocable undertakings received by Suzano Bidco extend to any further FuturaGene Shares in which the respective FuturaGene Shareholder acquires an interest. FuturaGene announced on 19 May 2010 the issue of a further 2,750,000 FuturaGene Shares and the numbers and percentages in this **paragraph 6** reflect the issue of such further shares.

Further details of the irrevocable undertakings are set out in **paragraph 6** of **Part VI** of this document.

## **7. Suzano Group's interest in FuturaGene Shares**

As at the close of business on 12 May 2010 (the last practicable Business Day prior to the date of the Announcement) Suzano Papel e Celulose indirectly held 4,258,110 FuturaGene Shares representing approximately 7.6 per cent. of the then current issued share capital of FuturaGene. Following the announcement on 19 May 2010 and as at 27 May 2010 (the last practicable Business Day prior to the date of this document), Suzano Group held 4,374,633 FuturaGene Shares representing approximately 7.4 per cent. of the current issued share capital of FuturaGene.

Save for the irrevocable undertakings referred to in paragraph 6 above, the FuturaGene Share to be acquired by Suzano Bidco prior to the Reduction Record Time (as referred to in **paragraph 17 of Part II** of the document), and otherwise as disclosed above, neither Suzano Papel e Celulose, Suzano Bidco nor any of the Suzano Papel e Celulose Directors, the Suzano Bidco Directors, nor so far as Suzano Papel e Celulose Directors and Suzano Bidco Directors are aware, any person acting in concert with Suzano Bidco or Suzano Papel e Celulose has any other interest in or right to subscribe for any relevant securities of FuturaGene nor are they party to any short positions (whether conditional or absolute and whether in the money or otherwise) relating to relevant securities of FuturaGene, including any short positions under derivatives, agreements to sell or any delivery obligations or rights to require another person to take delivery. Neither Suzano Bidco nor Suzano Papel e Celulose nor, so far as the Suzano Bidco Directors and the Suzano Papel e Celulose Directors are aware, any person acting in concert with either of them, has borrowed or lent any relevant securities of FuturaGene.

## **8. Management, employees and locations**

The FuturaGene Directors have discussed with Suzano Papel e Celulose, Suzano Papel e Celulose's plans for FuturaGene management and employees within the Enlarged Group. Suzano Papel e Celulose attaches great importance to the skills and experience of the existing management and employees of the FuturaGene Group. Suzano Papel e Celulose has given assurances that, upon completion of the Proposal, the existing employment rights, including pension rights, of all employees of the FuturaGene Group will be fully safeguarded.

Suzano Papel e Celulose plans to work with FuturaGene's management to develop and integrate the FuturaGene business within the Suzano Group. The FuturaGene Board and Suzano Papel e Celulose Board both believe that there will be opportunities for FuturaGene employees to develop their careers within the broader framework of the Enlarged Group. In due course, when the integration is complete, Suzano Papel e Celulose expects to review the Enlarged Group's operations and it may then be desirable to make limited operational changes to maximise efficiency and effectiveness.

The non-executive directors of FuturaGene have agreed to stand down from the FuturaGene Board upon the Scheme becoming effective.

## **9. Delisting, cancellation of admission to trading on AIM and re-registration**

Prior to the Scheme becoming effective, FuturaGene will make an application to the London Stock Exchange to cancel trading in FuturaGene Shares on AIM, such cancellation becoming effective from 7.00 a.m. on the Effective Date. The last day of dealings in FuturaGene Shares on AIM is expected to be 9 July 2010 (being the Business Day prior to the Reduction Court Hearing) and no transfer of FuturaGene Shares will be registered after 6.00 p.m. on that date.

On the Effective Date, share certificates in respect of FuturaGene Shares will cease to be valid and should be destroyed. In addition, entitlement to FuturaGene Shares held in the CREST system will be cancelled. It is proposed that, following the Effective Date and after the FuturaGene Shares have been delisted, FuturaGene will be re-registered as a private company.

## **10. Taxation**

Your attention is drawn to **paragraph 19** headed "United Kingdom Taxation" in the letter from Evolution Securities set out in **Part II** of this document. **If you are in any doubt about your tax position, you should consult an appropriate independent tax adviser immediately.**

## **11. City Code**

As FuturaGene's place of central management and control is outside the UK and the FuturaGene Shares are not traded on a UK regulated market, the Panel has ruled that it does not have jurisdiction over the Proposal and accordingly, the Code does not apply to the Proposal.

## **12. Meetings and action to be taken**

Details of the Meetings to be held and the action to be taken in respect of the Scheme are set out in **paragraphs 17 and 20 of Part II** of this document.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of FuturaGene Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy for both the Court Meeting and the General Meeting as soon as possible.**

Notices convening the Court Meeting and the General Meeting are set out in **Parts VIII and IX** of this document respectively.

**If you have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please telephone Capita Registrars between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.**

Details relating to settlement are included in **paragraph 21 of Part II** of this document.

## **13. Overseas Shareholders**

Details with regard to Overseas Shareholders are set out in **paragraph 18 of Part II** of this document.

## **14. General and further information**

Please read carefully the remainder of this document, including the letter from Evolution Securities set out in **Part II** of this document, being the explanatory statement made in compliance with section 897 of the Companies Act 2006. Please note that the information contained in this letter is not a substitute for reading the remainder of this document.

Suzano Bidco may elect to implement the Acquisition by making a takeover offer (as defined in section 974 of the Companies Act 2006) for FuturaGene in substitution for the Scheme. If Suzano Bidco makes such election, any such takeover offer will be implemented on substantially similar terms and conditions (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme. Any such takeover offer which relates to FuturaGene Shares will be subject to a 90 per cent. acceptance condition (or such lower percentage as Suzano Bidco may decide).

The Scheme will be governed by English law.

Yours faithfully

**Mark Pritchard**  
*Chairman*

## PART II

### EXPLANATORY STATEMENT

*(in compliance with section 897 of the Companies Act 2006)*



*(Incorporated and registered in England and Wales with number 2316630)*

Evolution Securities Limited  
100 Wood Street  
London  
EC2V 7AN

28 May 2010

**To: FuturaGene Shareholders and, for information only, to FuturaGene Optionholders and FuturaGene Warrant Holders**

Dear FuturaGene Shareholder,

**Recommended proposal for the acquisition of the entire issued and to be issued share capital of FuturaGene for cash by Suzano Trading Limited (a wholly-owned subsidiary of Suzano Papel e Celulose S.A.)**

#### **1. Introduction**

FuturaGene announced on 23 February 2010 that it had received a preliminary approach which may or may not lead to an offer for FuturaGene. It was subsequently announced on 13 May 2010 that the FuturaGene Board and the Suzano Papel e Celulose Board had reached agreement on the terms of a recommended all cash offer for the entire issued and to be issued ordinary share capital of FuturaGene by Suzano Bidco, a wholly-owned subsidiary of Suzano Papel e Celulose, other than FuturaGene Shares already held by the Suzano Group (currently 4,374,633 FuturaGene Shares, representing approximately 7.4 per cent. of the current issued share capital of FuturaGene) at 90 pence per FuturaGene Share.

The Proposal will be effected by means of a court-sanctioned scheme of arrangement between FuturaGene and the Scheme Shareholders under Part 26 of the Companies Act 2006, involving a reduction of capital under the Companies Act 2006 (although Suzano Bidco reserves the right to switch to a takeover offer as the means of effecting the Proposal).

**Your attention is drawn to the letter from the Chairman of FuturaGene, set out in Part I of this document. That letter explains why the FuturaGene Board, which has been so advised by Evolution Securities, considers the terms of the Proposal to be fair and reasonable and why the FuturaGene Board recommends that you vote in favour of the resolution relating to the Proposal at the Court Meeting and the Special Resolution at the General Meeting (or in the event that the Proposal is implemented by way of a takeover offer, accept or procure acceptance of such offer), as the FuturaGene Directors have irrevocably undertaken to do (or (as applicable) to use their reasonable endeavours to procure to be done or to request that the Trustee who holds certain FuturaGene Shares in which certain of the FuturaGene Directors are interested, does) in respect of their own holdings of FuturaGene Shares amounting to, in aggregate 4,507,845 FuturaGene Shares, representing approximately:**

- **8.3 per cent. of the current issued share capital of FuturaGene eligible to be voted at the Court Meeting; and**
- **7.6 per cent. of the current issued share capital of FuturaGene eligible to be voted at the General Meeting.**

We have been authorised by the FuturaGene Board to write to you to set out the terms of the Proposal and the Scheme and to provide you with other relevant information. Statements made in this letter which refer to the background to and reasons for recommending the Proposal and information concerning the business of FuturaGene (other than the rationale for the Acquisition referred to in **paragraph 7** below) reflect the views of the FuturaGene Directors. Statements made in this letter which refer to Suzano Papel e Celulose and its reasons for the Acquisition and plans for FuturaGene reflect the views of the Suzano Papel e Celulose Directors and the Suzano Bidco Directors.

This letter sets out and explains the provisions of the Proposal and the Scheme. The terms of the Proposal and the Scheme are set out in full in **Parts III and V** respectively of this document and in the Forms of Proxy. Your attention is also drawn to the additional information set out in **Part VI** of this document.

The Proposal is conditional on the Conditions set out in **Part III** of this document being satisfied or, where applicable, waived. These Conditions include, among other things, the conditions referred to in **paragraph 17(c)** below.

## **2. The Proposal**

Under the terms of the Proposal, which is subject to the terms and Conditions set out in **Part III** of this document, all Scheme Shares will be cancelled and, in consideration, Scheme Shareholders will receive:

**for each Scheme Share      90 pence in cash**

The Proposal values the entire issued and to be issued share capital of FuturaGene at approximately £59.2 million and represents a premium of approximately:

- 7.1 per cent. to the Closing Price of 84 pence per FuturaGene Share on 22 February 2010 (being the last Business Day prior to the announcement that FuturaGene had received an approach which may lead to an offer);
- 41.2 per cent. to the average Closing Price for the one month period ended on 12 May 2010 (being the last Business Day prior to the date of the Announcement), being 63.8 pence per FuturaGene Share; and
- 35.3 per cent. to the Closing Price of 66.5 pence per FuturaGene Share on 12 May 2010.

## **3. Irrevocable undertakings**

Suzano Bidco has received irrevocable undertakings from those FuturaGene Directors who hold FuturaGene Shares and from certain other FuturaGene Shareholders in respect of, in aggregate, 23,586,502 FuturaGene Shares representing approximately:

- 43.2 per cent. of FuturaGene's current issued share capital eligible to be voted at the Court Meeting; and
- 40 per cent. of FuturaGene's current issued share capital eligible to be voted at the General Meeting:

(i) to vote (or (as applicable) to use reasonable endeavours to procure voting or, in the case of 1,128,445 FuturaGene Shares, to request that the Trustee, in whose name such FuturaGene Shares are registered, vote) in favour of the resolutions relating to the Proposal at the Court Meeting and the Special Resolution at the General Meeting; and (ii) if the Proposal is subsequently structured as a takeover offer, to accept (or (as applicable) to use reasonable endeavours to procure the acceptance of or, in the case of 1,128,445 FuturaGene Shares, to request that the Trustee accepts) any potential recommended takeover offer by Suzano Bidco.

As set out in the Announcement, the irrevocable undertakings received by Suzano Bidco extend to any further FuturaGene Shares in which the respective FuturaGene Shareholder acquires an interest. FuturaGene announced on 19 May 2010 the issue of a further 2,750,000 FuturaGene Shares and the numbers and percentages in this **paragraph 3** reflect the issue of such shares.

Further details of the irrevocable undertakings are set out in **paragraph 6 of Part VI** of this document.

#### **4. Information on Suzano Papel e Celulose**

Suzano Papel e Celulose is a Brazil-based company engaged in the production and distribution of pulp and paper products and is quoted on the São Paulo Stock Exchange. Suzano Papel e Celulose's paper product line includes cut-size, coated and uncoated paper and paperboard. Suzano Papel e Celulose has five facilities in Bahia and São Paulo States with paper and paperboard capacity of approximately 1.1 million tons per year and market pulp capacity of approximately 1.7 million tons per year.

Suzano Papel e Celulose had a market capitalisation of R\$5.94 billion (£2.2 billion) as at 25 May 2010. For the financial year ended 31 December 2009, Suzano Papel e Celulose had net sales of R\$4.0 billion (£1.3 billion) and EBITDA of R\$1.0 billion (£329 million). As at 31 December 2009, Suzano Papel e Celulose had cash and cash equivalent resources of over R\$2.5 billion (£0.9 billion) and had a net financial debt of R\$4.0 billion (£1.4 billion).

#### **5. Information on the FuturaGene Group**

FuturaGene's business is focussed on plant genetic research and development. The FuturaGene Group was formed by the merger of FuturaGene with CBD Technologies, Inc. and has integrated the abiotic stress platform with the yield enhancement and processability technology from these entities into a new package for the enhancement of forestry, bio fuel and agricultural crops. In particular the FuturaGene Group is focused on the development and commercialisation of genetically modified plants for improving and protecting yields, and enhancing processability and environmental sustainability in the forestry, bio fuels and agricultural sectors.

The FuturaGene Directors believe that FuturaGene has an extensive and expanding intellectual property portfolio that protects its developments relating to the modification of plant cell walls to enhance plant growth rates, yield and processability of plant fibre, as well as its technologies for improved resistance to environmental stresses in plants such as salinity and drought. The FuturaGene Directors also believe that FuturaGene has developed proprietary knowledge which provides a platform for delivering its technologies into high value commercial tree and plant varieties. FuturaGene's research pipeline has been built through in-house discovery programs and licensing of intellectual property from a number of universities in its fields of interest. FuturaGene has collaboration, development and licensing agreements with a number of commercial companies and research institutes in the forestry and agricultural sectors around the world. FuturaGene has recently expanded its research capability in order to develop solutions to biological threats such as emerging pest and disease spectra encountered in the commercial forests and agricultural enterprises of its partnered companies.

FuturaGene issued its preliminary audited results for the financial year ended 31 December 2009 on 13 May 2010. In its preliminary results, FuturaGene reported a loss of £2.19 million for the financial year ended 31 December 2009.

#### **6. Background to and reasons for recommending the Proposal**

The background to and reasons for recommending the Proposal are set out in **paragraph 5 of Part I** of this document.

#### **7. Suzano Papel e Celulose's rationale for the Acquisition**

Suzano Papel e Celulose's rationale for the Acquisition is set out in **paragraph 3 of Part I** of this document.

#### **8. Management, employees and locations**

The FuturaGene Directors have discussed with Suzano Papel e Celulose, Suzano Papel e Celulose's plans for FuturaGene management and employees within the Enlarged Group. Suzano Papel e Celulose attaches great importance to the skills and experience of the existing management and employees of the FuturaGene Group. Suzano Papel e Celulose has given assurances that, upon completion of the Proposal, the existing

employment rights, including pension rights, of all employees of the FuturaGene Group will be fully safeguarded.

Suzano Papel e Celulose plans to work with FuturaGene's management to develop and integrate the FuturaGene business within the Suzano Group. The FuturaGene Board and Suzano Papel e Celulose Board both believe that there will be opportunities for FuturaGene employees to develop their careers within the broader framework of the Enlarged Group. In due course, when the integration is complete, Suzano Papel e Celulose expects to review the Enlarged Group's operations and it may then be desirable to make limited operational changes to maximise efficiency and effectiveness.

The non-executive directors of FuturaGene have agreed to stand down from the FuturaGene Board upon the Scheme becoming effective.

## **9. FuturaGene Directors and the effect of the Proposal on their interests**

Details of the interests of the FuturaGene Directors in the share capital of FuturaGene are set out in **paragraph 2 (c)(i) and (ii)** of **Part VI** of this document. Scheme Shares held by the FuturaGene Directors at the Reduction Record Time will be subject to the Scheme.

The FuturaGene Directors who hold beneficial interests in FuturaGene Shares have provided voting undertakings for the Court Meeting and the General Meeting in respect of their interest in FuturaGene Shares (details of which are set out in **paragraph 3** of this **Part II** and in **paragraph 6** of **Part VI** of this document). The total number of FuturaGene Shares to which these voting undertakings relate is 4,507,845 FuturaGene Shares, representing approximately:

- 8.3 per cent. of the current issued share capital of FuturaGene eligible to be voted at the Court Meeting; and
- 7.6 per cent. of the current issued share capital of FuturaGene eligible to be voted at the General Meeting.

The effect of the Scheme on the interests of the FuturaGene Directors does not differ from its effect on the like interest of any other person.

In common with other participants in the FuturaGene Share Scheme, appropriate proposals will be made to the FuturaGene Directors in respect of FuturaGene Share Options held by them.

Particulars of the service contracts (including termination provisions) and letters of appointment of the FuturaGene Directors are set out in **paragraph 7** of **Part VI** of this document.

## **10. FuturaGene Share Scheme**

The options granted under the FuturaGene Share Scheme will become exercisable in full (to the extent not already exercisable) as a result of the Proposal. The terms of the Scheme, if it becomes effective, will bind all FuturaGene Shareholders, including persons acquiring FuturaGene Shares prior to the Reduction Record Time under the terms of the FuturaGene Share Scheme.

FuturaGene Optionholders are being invited to exercise their FuturaGene Share Options conditional on the Court sanctioning the Scheme. The FuturaGene Shares required to satisfy the FuturaGene Share Options will be issued to a trustee approved for Israeli tax purposes under the FuturaGene Share Scheme. FuturaGene Shares resulting from FuturaGene Share Options exercised prior to 9.00 a.m. on the day on which the Reduction Record Time falls will be issued prior to the Reduction Record Time and will be Scheme Shares. The proposal includes the offer of a cashless exercise facility or a loan from the Company's Israeli subsidiary, CBD Technologies Ltd., to cover the exercise price.

Full details of these proposals will be set out in letters which are to be sent to FuturaGene Optionholders.

## **11. Warrants**

The Warrants will become exercisable as a result of the Proposal subject, in the case of the Conditional Warrants, to ratification by FuturaGene Shareholders, at the General Meeting, of the grant of the Conditional Warrants. The terms of the Scheme, if it becomes effective, will bind all persons acquiring FuturaGene Shares prior to the Reduction Record Time under the Warrant Instruments. FuturaGene Warrant Holders are being offered the opportunity to agree to the cancellation of their Warrants in consideration for the cash payment to them of an amount equal to 90 pence per FuturaGene Share the subject of a Warrant less an amount equal to the exercise price of the Warrant in question.

Full details of these proposals will be set out in letters which are to be sent to FuturaGene Warrant Holders.

The tax implications of the Scheme for certain FuturaGene Warrant Holders are summarised in **paragraph 19** of this **Part II**.

## **12. Amendments to FuturaGene Articles**

Any FuturaGene Shares issued after the Reduction Record Time, including under the FuturaGene Share Scheme and under the instruments constituting the Warrants and the Merger Warrants, will not be subject to the Scheme. Accordingly, it is proposed that the FuturaGene Articles be amended so that any FuturaGene Shares issued to any person other than Suzano Bidco (or its nominee(s)) on or after the Reduction Record Time will automatically be acquired by Suzano Bidco in consideration for the payment by Suzano Bidco or on its behalf to such person of such cash consideration as would have been payable under the Scheme had such FuturaGene Shares been Scheme Shares.

The proposed amendments to the FuturaGene Articles are set out in full in the notice of General Meeting set out in **Part IX** of this document.

## **13. CBD Agreement**

As referred to in the Announcement, FuturaGene issued a further 2,750,000 FuturaGene Shares in connection with the CBD Merger Agreement on 18 May 2010. Such shares will be Scheme Shares.

### *Effect of Scheme on CBD Stockholders*

CBD Stockholders who have since the completion of the CBD Merger (“**CBD Closing**”) surrendered their CBD stock certificates (“**CBD Certificates**”) to the exchange agent appointed in connection with the CBD Merger (“**Exchange Agent**”) and who continue to be registered holders of Scheme Shares will, under the Proposal, be Scheme Shareholders, and will receive 90 pence in cash for each Scheme Share held by them.

CBD Stockholders who have not yet surrendered their CBD Certificates to the Exchange Agent and who are therefore not yet registered holders of Scheme Shares will not be Scheme Shareholders. The FuturaGene Shares held by the Exchange Agent on behalf of such CBD Stockholders will, however, be Scheme Shares. In accordance with the terms of the CBD Agreement, the cash consideration payable under the Scheme for such Scheme Shares will be held by the Exchange Agent pending surrender of the relevant CBD Certificates.

### *Effect of Scheme on CBD Warrant Holders*

At the time of the CBD Merger, CBD Warrant Holders were entitled to Merger Warrants in exchange for their existing CBD Warrants. At the CBD Closing, the FuturaGene Shares underlying the Merger Warrants were issued to the Exchange Agent. Those shares will be Scheme Shares. The cash consideration payable under the Scheme for such Scheme Shares will be held by the Exchange Agent pending exercise or expiry of the Merger Warrants.

As none of the Merger Warrants are “in the money”, it is not proposed to make a proposal to holders of Merger Warrants in connection with the Scheme.

#### **14. Financing of the Proposal**

The Proposal will be funded from the existing cash resources of Suzano Papel e Celulose. Under the Implementation Agreement, Suzano Papel e Celulose has agreed to guarantee the payment by Suzano Bidco of the consideration due under the Proposal for the benefit of FuturaGene Shareholders.

#### **15. Non Disclosure and Exclusivity Agreement**

FuturaGene and Suzano Papel e Celulose have entered into the Non Disclosure and Exclusivity Agreement, a summary of which is set out in **paragraph 5(i) of Part VI** of this document.

#### **16. Implementation Agreement**

Suzano Papel e Celulose, Suzano Bidco and FuturaGene have entered into the Implementation Agreement in relation to the implementation of the Proposal and related matters in accordance with an agreed indicative timetable. The Implementation Agreement contains, among other things, certain assurances and confirmations between the parties, including provisions governing the conduct of the FuturaGene Group, the obligation on Suzano Bidco to pay the consideration due under the Proposal and the guarantee by Suzano Papel e Celulose of such obligation and of Suzano Bidco's other obligations under the agreement.

Further information regarding the Implementation Agreement is set out in **paragraph 5(ii) of Part VI** of this document.

#### **17. Structure of the Proposal**

##### **(a) Introduction**

The Proposal will be implemented by means of a court-sanctioned scheme of arrangement between FuturaGene and the Scheme Shareholders under Part 26 of the Companies Act 2006, involving a reduction of capital under the Companies Act 2006 (although Suzano Bidco reserves the right to switch to a takeover offer as the means of effecting the Proposal). The purpose of the Scheme, together with the proposed changes to the FuturaGene Articles, is for Suzano Bidco to become the owner of the whole of the issued share capital of FuturaGene.

It is intended that Suzano Bidco will acquire or have allotted to it fully paid one FuturaGene Share prior to the Reduction Record Time. This FuturaGene Share will not be a Scheme Share and will not be subject to the Scheme.

The Scheme will involve the cancellation of all of the Scheme Shares in consideration for 90 pence per Scheme Share in cash on the basis set out in **paragraph 2** of this **Part II** and the application of the reserve arising from such cancellation in paying up in full a number of New FuturaGene Shares which is equal to the number of, and which have a nominal value equal to, the nominal value of the Scheme Shares cancelled, and issuing the same to Suzano Bidco and/or its nominee(s).

It is expected that the Scheme will become effective on Tuesday, 13 July 2010, subject to the satisfaction or (where applicable) waiver of all relevant Conditions.

##### **(b) The Meetings**

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require approval by Scheme Shareholders at the Court Meeting and the passing of the Special Resolution by FuturaGene Shareholders at the General Meeting.

Notices of the Court Meeting and the General Meeting are set out in **Parts VIII** and **IX** of this document respectively. Entitlements to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to, in the case of the Court Meeting, holdings of Scheme Shares and, in the case of the General Meeting, holdings of FuturaGene Shares.

### *The Court Meeting*

The Court Meeting, which has been convened for 10.30 a.m. on 21 June 2010, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme (with or without modification).

At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, representing not less than three-fourths in value of all Scheme Shares held by such Scheme Shareholders. Scheme Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of FuturaGene Shareholder opinion.**

### *The General Meeting*

The General Meeting has been convened for 10.40 a.m. on 21 June 2010 (or as soon thereafter as the Court Meeting has been concluded), to consider and, if thought fit, pass the Special Resolution and the Share Authority Resolutions.

### *Special Resolution*

The Special Resolution (which requires votes in favour representing not less than three-fourths of the votes attached to FuturaGene Shares voted at the General Meeting) approves:

- (i) the Scheme;
- (ii) the Reduction of Capital in connection with the Scheme Shares;
- (iii) subject to the Reduction of Capital taking effect:
  - (a) the application of the reserve resulting from the reduction of capital referred to in paragraph (ii) above in the books of account of FuturaGene in paying up in full the New FuturaGene Shares;
  - (b) the granting of authority to the FuturaGene Directors pursuant to section 551 of the Companies Act 2006 to allot the New FuturaGene Shares in accordance with the terms of the Scheme; and
  - (c) certain amendments to the FuturaGene Articles; and
- (iv) certain further amendments to the FuturaGene Articles as described below.

Any FuturaGene Share issued, including, but not limited to, on the exercise of a FuturaGene Share Option or a Warrant, at or after the Reduction Record Time will not be subject to the Scheme. Accordingly, it is proposed that the FuturaGene Articles be amended so that any FuturaGene Share issued to any person (other than Suzano Bidco or its nominee(s)) at or after the Reduction Record Time will be immediately transferred to Suzano Bidco (or as it may direct) in consideration of and conditional on the payment of 90 pence in cash for each FuturaGene Share so transferred (as adjusted by the FuturaGene Directors in the event of any reorganisation of, or alteration to, the share capital of the Company in such manner, if any, as the Company's auditors may determine to be appropriate). It is also proposed that the FuturaGene Articles be amended to ensure that any FuturaGene Shares which are issued at or after the Voting Record Time but before the Reduction Record Time will be subject to and bound by the Scheme. In addition, it is proposed that the FuturaGene Articles be amended by: (a) deleting the provision which, by virtue of paragraph 42(2) of Schedule 2 to the Companies Act 2006 (Commencement No. 8 Transitional Provisions and Savings) Order 2008, is treated as a provision of the articles of association of the Company setting out the maximum amount of shares that may be

allotted by the Company; and (b) replacing article 3.1 of the FuturaGene Articles by inserting a new article setting out the share capital of the Company.

The proposed amendments to the FuturaGene Articles referred to above are set out in the Notice of General Meeting at **Part IX** of this document.

#### *Share Authority Resolutions*

The Share Authority Resolutions:

- (i) approve the grant to the FuturaGene Directors of all powers of FuturaGene pursuant to section 551 of the Companies Act 2006 to allot FuturaGene Shares up to an aggregate nominal amount of £97,304;
- (ii) ratify the grant of the Conditional Warrants;
- (iii) approve subject to the passing of the resolution (i) referred to above and pursuant to section 570 of the Companies Act 2006, the disapplication of section 561 of the Companies Act 2006 to the allotment of equity securities for cash pursuant to the authority granted by resolution (i) above:
  - (a) in respect of the allotment of shares to the holders of Warrants; and
  - (b) otherwise up to an aggregate nominal amount of £14,743.

**Voting on the Special Resolution will be by way of a show of hands unless a poll is demanded. The chairman of the General Meeting will reserve the right to demand a poll and, in such event, each holder of FuturaGene Shares represented in person or by proxy will be entitled to one vote for each FuturaGene Share held. All FuturaGene Shareholders will be entitled to vote on the Special Resolution and the Share Authority Resolutions.**

Forms of Proxy for the Court Meeting and the General Meeting should be returned, in the pre-paid envelope provided (for use in the United Kingdom only), to the Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible and, in any event, so as to be received at least 48 hours (excluding any part of a day which is not a working day) before the time appointed for the relevant Meeting. If a blue Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to the Registrars, on behalf of the chairman of the Court Meeting, at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time mentioned in the instructions printed thereon, it will be invalid. The completion and return of a Form of Proxy will not prevent a FuturaGene Shareholder from attending and voting in person at either the Court Meeting or the General Meeting, or at any adjournment thereof, if he so wishes and is so entitled.

#### (c) ***Conditions to the Proposal***

The Conditions to the Proposal are set out in full in **Part III** of this document. The implementation of the Scheme is conditional, *inter alia*, upon:

- (i) the Scheme becoming effective by not later than the Long Stop Date (or such later date as Suzano Bidco and FuturaGene agree and (if required) the Court may allow);
- (ii) approval by a majority in number of the holders of, representing not less than 75 per cent. in value of, the Scheme Shares on the register of members of the Company at the Voting Record Time, present and voting, in person or proxy, at the Court Meeting;
- (iii) the Special Resolution being passed by the requisite majority at the General Meeting; and
- (iv) sanction of the Scheme and confirmation of the Reduction of Capital by the Court, the Court Orders and associated documents being delivered to the Registrar of Companies (and, in respect of the Reduction Court Order and the Statement of Capital, if the Court so orders, on registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies).

(d) ***Sanction of the Scheme by the Court***

Following the Meetings, the Scheme must be sanctioned and the Reduction of Capital confirmed by the Court, and will only become effective following delivery to the Registrar of Companies of:

- (i) the Scheme Court Order; and
- (ii) the Reduction Court Order and Statement of Capital as approved by the Court, and, if the Court so orders, on registration of the Reduction Court Order and Statement of Capital by the Registrar of Companies.

The Scheme Court Hearing to sanction the Scheme is expected to be held on 8 July 2010 and the Reduction Court Hearing to confirm the Reduction of Capital comprised in the Scheme is expected to be held on 12 July 2010. FuturaGene Shareholders are also entitled to attend the Scheme Court Hearing in person or to be represented by counsel to support or oppose the sanctioning of the Scheme.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not, being entitled to do so, they attended or voted in favour of the Scheme at the Meetings. If the Scheme does not become effective by 31 August 2010 (or such later date (if any) as Suzano Bidco and FuturaGene may agree and the Court may allow), the Scheme will not become effective and the Proposal will not proceed.

Suzano Bidco and Suzano Papel e Celulose have confirmed that they will be represented by counsel at the Scheme Court Hearing so as to consent to the Scheme and to undertake to the Court to be bound thereby and to do all acts and things necessary to give effect to the Scheme.

*Modifications to the Scheme*

The Scheme will contain a provision for FuturaGene and Suzano Bidco jointly to consent on behalf of all concerned to any modifications, additions or conditions to the Scheme which the Court may think fit to approve or impose. The Court would be unlikely to approve or impose any modifications, additions or conditions to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, at its discretion, whether or not a further meeting of Scheme Shareholders should be held.

**18. Overseas Shareholders**

The availability of the Proposal to Overseas Shareholders may be affected by the laws of the relevant jurisdiction in which they are located. Overseas Shareholders should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. It is the responsibility of any Overseas Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared for the purposes of complying with English law and the AIM Rules. Accordingly the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction. Overseas Shareholders should consult their own legal and tax advisers with regard to the legal and tax consequences of the Scheme on their particular circumstances.

The Proposal is intended to be implemented by way of a court-sanctioned scheme of arrangement under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act of 1934. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangements which differ from the disclosure requirements under the US tender offer rules. If, in the future, Suzano Bidco exercises its right to implement

the Acquisition by way of a takeover offer and if such takeover offer will be made into the United States, such offer will be made in compliance with the applicable US laws and regulations.

This document and any accompanying documents do not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities or the solicitation of any vote or approval pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

Copies of this document and/or any accompanying documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. If the Proposal is implemented by way of a takeover offer (unless otherwise determined by Suzano Bidco and permitted by applicable law and regulation), the takeover offer may not be made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other form of electronic communication) of interstate or foreign commerce of, or any facility of a national state or securities exchange of any Restricted Jurisdiction and the takeover offer may not be capable of acceptance by any such use, means, instrumentality or facility.

## **19. United Kingdom Taxation**

**The following paragraphs, which are intended as a general guide only, are based on current UK legislation and HMRC practice. They summarise certain limited aspects of the UK taxation consequences of acceptance of the Proposal, and relate only to the position of FuturaGene Shareholders and FuturaGene Warrant Holders who hold their FuturaGene Shares or FuturaGene Warrants beneficially as an investment and who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times. At the date of this document a further UK budget has been announced for 22 June 2010. The UK tax position may change as a consequence of such budget proposals.**

**If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent tax adviser without delay.**

**The taxation position of any FuturaGene Shareholder or FuturaGene Warrant Holder who is also an employee of the FuturaGene Group may differ. Any such person should seek independent advice.**

### *Taxation of chargeable gains*

Liability to UK taxation of chargeable gains will depend on the specific circumstances of FuturaGene Shareholders.

To the extent that a FuturaGene Shareholder receives the Consideration under the terms of the Scheme, this will constitute a disposal of his FuturaGene Shares for the purposes of United Kingdom taxation of chargeable gains. Such a disposal may, depending on specific circumstances (including the availability of any relevant exemption, relief and/or allowable losses), give rise to a liability to UK taxation on chargeable gains.

For individual shareholders, the capital gains annual exemption (which is £10,100 for the tax year ending 5 April 2011) may also be available to offset any chargeable gain (to the extent it has not already been utilised).

Individuals who are temporarily non-resident in the United Kingdom at the time of disposal of their FuturaGene Shares may, under special rules, still be liable to United Kingdom taxation on any capital gain realised (subject to any available exemption or relief) on return to the United Kingdom.

For FuturaGene Shareholders within the charge to UK corporation tax, but which do not qualify for substantial shareholdings exemption in respect of their FuturaGene Shares, an indexation allowance should be available to reduce any chargeable gain arising.

HMRC may seek to apply the provisions of section 684 ITA so as to treat FuturaGene Shareholders who are within the charge to UK income tax as if they had received income under the Scheme. In this event the capital gains treatment described above may not apply and, instead, individuals who are higher rate taxpayers would be subject to income tax at a rate of 25 per cent. on the consideration received by them as FuturaGene Shareholders; for individuals subject to the top rate of tax on incomes over £150,000 per annum the rate would be 36.1 per cent. FuturaGene will be making an application to HMRC pursuant to section 701 ITA for confirmation that no Scheme Shareholder ought to be subject to counteraction of an income tax advantage under section 684 ITA and, accordingly, that no counteraction notice ought to be issued to any such Scheme Shareholder under section 698 ITA.

HMRC may seek to apply the provisions of section 733 CTA 2010 so as to treat a FuturaGene Shareholder within the charge to UK corporation tax as if it had received income under the Scheme. In this event, the treatment described above may not apply and instead any corporation tax advantage obtained or obtainable by the relevant FuturaGene Shareholder from the Scheme may be counteracted by HMRC. FuturaGene will be making an application to HMRC pursuant to section 748 CTA 2010 for confirmation that no Scheme Shareholder ought to be subject to counteraction of a corporation tax advantage under section 733 CTA 2010 and, accordingly, that no counteraction notice ought to be issued to any such Scheme Shareholder under section 746 CTA 2010.

#### *FuturaGene Warrant Holders*

Liability to UK taxation of chargeable gains will depend on the specific circumstances of FuturaGene Warrant Holders.

The receipt by a FuturaGene Warrant Holder who is resident or ordinarily resident in the UK of cash in return for the cancellation of FuturaGene Warrants should be treated as consideration for the disposal of such FuturaGene Warrants for the purposes of UK taxation of chargeable gains.

Such a disposal may, depending on specific circumstances (including the availability of any relevant exemption, relief and/or allowable losses), give rise to a liability to UK taxation on chargeable gains.

The provisions of section 684 ITA or section 733 CTA 2010 as described above may also apply to FuturaGene Warrant Holders within the charge to UK income tax or corporation tax receiving cash in return for the cancellation of FuturaGene Warrants. FuturaGene will be making applications to HMRC pursuant to section 701 ITA and section 748 CTA 2010 for confirmation that no Warrant Holder ought to be subject to counteraction of an income tax advantage under section 684 ITA or corporation tax advantage under section 733 CTA 2010 and, accordingly, that no counteraction notice ought to be issued to any such Warrant Holder under section 698 ITA or section 746 CTA 2010.

#### *Stamp Duty and Stamp Duty Reserve Tax*

No liability to stamp duty or stamp duty reserve tax will be payable by FuturaGene Shareholders in respect of the cancellation of the FuturaGene Shares or the issue of the new FuturaGene Shares by the Company to Suzano Bidco pursuant to the Scheme, or in respect of the cancellation of FuturaGene Warrants.

#### *FuturaGene Optionholders*

Special tax provisions may apply to FuturaGene Shareholders who have acquired or agreed to acquire their FuturaGene Shares by exercising options under the FuturaGene Share Scheme including provisions imposing a charge to income tax, capital gains tax and/or social security contributions in Israel when such an option is exercised. Such shareholders are advised to seek independent advice. Further details are set out in letters which are to be sent to FuturaGene Optionholders.

## **20. Action to be taken**

You will find enclosed with this document:

- a blue Form of Proxy for use at the Court Meeting;

- a white Form of Proxy for use at the General Meeting; and
- a pre-paid envelope for use in the United Kingdom only.

Whether or not you intend to attend the Meetings, you are requested to complete and sign the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon. Completed Forms of Proxy should be returned, in the pre-paid envelope provided for use in the United Kingdom only, to the Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU, as soon as possible and, in any event, so as to be received at least 48 hours (excluding any part of a day which is not a working day) before the time appointed for the relevant Meeting (or, in the case of adjournment of either Meeting, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting), in other words not later than 10.30 a.m. on 17 June 2010 for the Court Meeting and 10.40 a.m. on 17 June 2010 for the General Meeting.

If the blue Form of Proxy for use at the Court Meeting is not received by the Registrars by such time, it may be handed to the Registrars at that meeting, on behalf of the chairman of the Court Meeting at any time before the taking of the poll at that meeting and will still be valid. However, the white Form of Proxy for use at the General Meeting must be returned to the Registrars so as to be received no later than 10.40 a.m. on 17 June 2010, otherwise it will not be valid. The completion and return of the Forms of Proxy or CREST proxy instruction will not prevent you from attending and voting in person at the Meetings, or at any adjournment thereof, if you so wish and are so entitled.

If you hold your FuturaGene Shares in uncertificated form (that is in CREST), you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. Proxies submitted via CREST (under CREST participant RA10) must be received by Capita Registrars not later than 10.30 a.m. on 17 June 2010 in the case of the Court Meeting and by 10.40 a.m. on 17 June 2010 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time of the adjourned meeting).

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of FuturaGene Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy for both the Court Meeting and the General Meeting as soon as possible.**

Notices convening the Court Meeting and the General Meeting are set out in **Parts VIII and IX** of this document respectively.

**If you have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please telephone Capita Registrars between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0300 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.**

## **21. Settlement**

Subject to the Scheme becoming effective, settlement of the Consideration to which any holder of Scheme Shares is entitled thereunder will be effected within 14 days of the Effective Date in the manner set out below.

Settlement of the Consideration will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Suzano Bidco may otherwise be, or claim to be, entitled against such Scheme Shareholder.

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto.

(a) ***Consideration where FuturaGene Shares are held in uncertificated form (that is, in CREST)***

On the Effective Date, Scheme Shares held within CREST will be cancelled. Scheme Shareholders who hold Scheme Shares in uncertificated form will receive any Consideration to which they are entitled through CREST by Suzano Bidco procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated shares in respect of the Consideration due to it/him. The creation of such an assured payment obligation shall be a complete discharge of the obligations of Suzano Bidco under the Scheme with reference to payments made through CREST.

Suzano Bidco reserves the right to pay all or any part of the Consideration referred to above to all or any Scheme Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in **paragraph (b)** below if for any reason it wishes to do so.

(b) ***Consideration where FuturaGene Shares are held in certificated form***

On the Effective Date, Scheme Shares held in certificated form will be cancelled and share certificates for such Scheme Shares will cease to be valid and should be destroyed.

Settlement of any Consideration due under the Scheme in respect of Scheme Shares held in certificated form will be despatched by first class post, by cheque drawn on a branch of a UK clearing bank.

All such cash payments (whether in respect of Scheme Shares in uncertificated or certificated form) shall be made in pounds sterling. Payments made by cheque shall be payable to the holders of the Scheme Shares concerned. Cheques shall be despatched as soon as practicable after the Effective Date and in any event within 14 days after the Effective Date. Neither Suzano Papel e Celulose, Suzano Bidco nor FuturaGene shall be responsible for any loss or delay in the transmission of cheques sent in this way and such cheques shall be sent at the risk of the person entitled thereto.

## **22. Delisting, cancellation of admission to trading on AIM and re-registration**

The London Stock Exchange will be requested to cancel admission to trading in the FuturaGene Shares on AIM with effect from 7.00 a.m. on the Effective Date. The last day of dealings in FuturaGene Shares on AIM is expected to be 9 July 2010 (being the Business Day prior to the Reduction Court Hearing) and no transfers of FuturaGene Shares will be registered after 6.00 p.m. on that date.

It is proposed that, following the Effective Date and after the FuturaGene Shares have been delisted, FuturaGene will be re-registered as a private company.

## **23. General and further information**

Suzano Bidco may elect to implement the Acquisition by making a takeover offer (as defined in section 974 of the Companies Act 2006) for FuturaGene in substitution for the Scheme. If Suzano Bidco makes such election, any such takeover offer will be implemented on substantially similar terms and conditions (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme. Any such takeover offer which relates to FuturaGene Shares will be subject to a 90 per cent. acceptance condition (or such lower percentage as Suzano Bidco may decide).

The Scheme will be governed by English law.

The terms of the Scheme are set out in full in **Part V** of this document. Your attention is also drawn to the further information contained in this document, all of which forms part of this Explanatory Statement and, in particular, to the Conditions set out in **Part III**, the financial information on FuturaGene in **Part IV**, and the additional information set out in **Part VI** of this document.

Yours faithfully

**Tim Worlledge**  
for and on behalf of  
**Evolution Securities Limited**

## PART III

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

The Proposal is conditional upon the Scheme becoming effective by not later than 31 August 2010 (or such later date, if any, as Suzano Bidco and FuturaGene may agree and (if required) the Court may allow).

#### Conditions of the Scheme

1. The Scheme is conditional upon:
  - (a) the approval of the Scheme by a majority in number, representing not less than 75 per cent. in value, of the holders of the Scheme Shares who are on the register of members of FuturaGene at the Voting Record Time, present and voting, whether in person or proxy, at the Court Meeting (or at any adjournment thereof);
  - (b) the resolution(s) in connection with and required to implement the Scheme and the Reduction of Capital, set out in the notice of the General Meeting, being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and
  - (c) the sanction (with or without modification (but subject to such modification being acceptable to Suzano Bidco and FuturaGene)) of the Scheme and the confirmation of the Reduction of Capital by the Court, and the Court Orders and an office copy of the Reduction Court Order and statement of capital as approved by the Court being delivered for filing and/or registration as the case may be to the Registrar of Companies and registration of the Reduction Court Order by the Registrar of Companies.

#### Conditions of the Acquisition

2. Suzano Bidco and FuturaGene have agreed that, subject to paragraph 4 below, the Scheme is also conditional upon, and accordingly, application to the Court to sanction the Scheme and to confirm the Reduction of Capital will only be made upon the satisfaction or, where relevant, waiver of the following Conditions at or prior to 8.00 a.m. on the date of the Scheme Court Hearing:
  - (a) no Third Party having:
    - (i) taken, instituted, implemented or threatened any action, or having required any action to be taken as a consequence of the Proposal or the proposed acquisition by any member of the Suzano Group of any shares or other securities in FuturaGene or because of a change in control or management of FuturaGene or any other member of the FuturaGene Group in respect of any arrangement, agreement, licence, lease or other instrument to which any member of the FuturaGene Group is a party or by or to which any such member or any of its assets is bound or subject, in each case which would or might reasonably be expected to adversely affect the FuturaGene Group taken as a whole to an extent which is Material; or
    - (ii) taken, instituted, implemented or threatened any legal proceedings, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, order or decision or taken any other step and there not continuing to be outstanding any statute, regulation, order or decision that would or might reasonably be expected to make the Proposal, its implementation or the acquisition or proposed acquisition of any shares in, or control or management of, FuturaGene by Suzano Bidco and/or Suzano Papel e Celulose illegal, void or unenforceable;

- (b) since 31 December 2009, except as Disclosed:
  - (i) there having been (1) no adverse change to the business, operations, assets, financial condition or turnover of the FuturaGene Group which is Material and (2) no formal investigation commenced by a regulatory authority (which has jurisdiction) the subject of which is a director or officer of FuturaGene and (3) no arrest of any such director or officer (each a **“Material Adverse Change”**);
  - (ii) no contingent or other liability of any member of the FuturaGene Group having arisen or become apparent or increased which would adversely affect the FuturaGene Group taken as a whole to an extent which in any case is Material; and
  - (iii) no litigation, arbitration proceedings, regulatory investigations, prosecution or other legal proceedings to which any member of the FuturaGene Group is or may reasonably be expected to become a party (whether as claimant, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the FuturaGene Group which would adversely affect the FuturaGene Group taken as a whole to an extent which in any case is Material;
- (c) except as Disclosed, Suzano Bidco not having discovered that since 31 December 2009, any financial, business or other information concerning the FuturaGene Group disclosed at any time by or on behalf of any member of the FuturaGene Group, whether publicly or in the context of the Proposal, to any member of the Suzano Group or its advisers, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading, in each case to an extent which is Material and such information has not been corrected by public announcement through a regulatory information service;
- (d) Suzano Bidco not having discovered, except as Disclosed:
  - (i) that any member of the FuturaGene Group does not own or have licensed to it or otherwise possess legally enforceable rights to use all intellectual property that is required or reasonably necessary for the conduct of business of the relevant member of the FuturaGene Group as currently conducted and the absence of which is Material; or
  - (ii) that any member of the FuturaGene Group has infringed any intellectual property rights of any third party where the consequences are Material; or
  - (iii) that any claims have been asserted in writing or threatened in writing by any person: (i) that the FuturaGene Group infringes any intellectual property of any third party; or (ii) challenging the ownership of any member of the FuturaGene Group to, or the validity or effectiveness of, any of its intellectual property, and in either case any such claims are Material; or
  - (iv) that any intellectual property held by any member of the FuturaGene Group is not valid and subsisting where the consequences are Material; or
  - (v) that there is unauthorised use, infringement or misappropriation of any intellectual property of any member of the FuturaGene Group by any third party where the consequences are Material;
- (e) the Implementation Agreement not having been terminated by the parties thereto in accordance with its terms.

3. For the purposes of these Conditions:

**“Disclosed”** means disclosed to Suzano Papel e Celulose and Suzano Bidco in any of the following manners: (i) by inclusion in the annual report and accounts of the FuturaGene Group for the financial

year ended 31 December 2009; (ii) by delivery of an announcement by or on behalf of FuturaGene to a Regulatory Information Service; or (iii) by inclusion in the electronic data room maintained by Merrill Datasite or by disclosure in writing by or on behalf of the FuturaGene Group to Suzano Papel e Celulose and Suzano Bidco before 9 May 2010 where such inclusion or disclosure provides sufficient details to identify to Suzano Papel e Celulose and Suzano Bidco the nature and scope of the matter disclosed;

**“Material”** means where the relevant matter has resulted or is reasonably likely to result in economic loss to, or diminution in the market value of, the FuturaGene Group taken as a whole in an amount not less than £7,500,000 save in circumstances (a) affecting the industry of the FuturaGene Group as whole or (b) generally unrelated to the business performance of the FuturaGene Group; and

**“Third Party”** means any government, governmental or quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, body corporate, or any other body, entity or person whatsoever in any jurisdiction.

4. Suzano Bidco reserves the right to waive, in whole or in part, all or any of the Conditions 2(a) to (e) (inclusive). Conditions 1(a) to (c) (inclusive) cannot be waived. Suzano Bidco shall be under no obligation to waive or treat as satisfied any of such Conditions by a date earlier than the Long Stop Date for the satisfaction thereof notwithstanding that the other Conditions of the Scheme or the Proposal may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
5. Suzano Bidco reserves the right to elect to implement the Proposal by way of a takeover offer (as defined in section 974 of the Companies Act 2006) as an alternative to the Scheme. In such event, the takeover offer will be implemented on substantially similar terms and conditions (subject to appropriate amendments), so far as applicable, as those which would apply to the Proposal as set out in this document. Any such takeover offer which relates to FuturaGene Shares will be subject to a 90 per cent. acceptance condition (or such lower percentage as Suzano Bidco may decide).
6. The Proposal will be governed by English law and will be subject to the jurisdiction of the English courts.

## PART IV

### FINANCIAL INFORMATION ON FUTURAGENE

#### Basis of financial information

The financial statements of FuturaGene included in its annual report and accounts for the financial years ended 31 December 2007, 2008 and 2009, together with the audit reports on them are incorporated by reference into this document and are available in “read only” format for viewing or downloading, free of charge, at [www.futuragene.com](http://www.futuragene.com). The audit report for the financial statements for the year ended 31 December 2007 was qualified, whilst the audit reports for each of the financial years ended 31 December 2008 and 2009 were unqualified. The financial statements for the years ended 31 December 2007, 2008 and 2009 were prepared in accordance with International Financing Reporting Standards.

The audited published financial information on the FuturaGene Group for the financial years ended 31 December 2007, 2008 and 2009 is also available for inspection at FuturaGene’s registered office.

The financial information incorporated by reference in this **Part IV** does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

#### Incorporation of information by reference

1. Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount of earnings attributable to shareholders and earnings per share for the financial years ended 31 December 2007, 2008 and 2009 is set out on page 11 of FuturaGene’s 2009 annual report and accounts.
2. No dividends have been paid by FuturaGene in the financial years ended 31 December 2007, 2008 and 2009.
3. A statement of the assets and liabilities shown in the audited accounts for the year ended 31 December 2009 is set out on page 13 of the FuturaGene 2009 annual report and accounts.
4. A cash flow statement as provided for in the audited accounts for the year ended 31 December 2009 is set out on page 14 of the FuturaGene 2009 annual report and accounts.
5. Significant accounting policies together with any points from the notes to the FuturaGene annual report and accounts which are of major relevance to an appreciation of the figures are set out as follows:
  - 5.1 on pages 15 to 31 of the FuturaGene 2009 annual report and accounts;
  - 5.2 on pages 14 to 52 of the FuturaGene 2008 annual report and accounts;
  - 5.3 on pages 14 to 32 of the FuturaGene 2007 annual report and accounts.

The information referred to in paragraphs 1, 2, 3 and 4 above has not been published in an inflation adjusted form.

FuturaGene will send within two Business Days, without charge, to each person to whom a copy of this document has been sent, on their request, a copy of any documents incorporated by reference into this document. Requests should be addressed to Capita Registrars Limited at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or made by telephoning the shareholder helpline on 0871 664 0300 from within the UK or on +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute from a BT landline. Other network providers’ costs may vary. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

## PART V

### THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

No. 4270 of 2010

IN THE MATTER OF FUTURAGENE PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

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SCHEME OF ARRANGEMENT  
(under Part 26 of the Companies Act 2006)

BETWEEN

FUTURAGENE PLC

AND

THE HOLDERS OF  
SCHEME SHARES  
(as defined below)

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#### PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

<b>“business day”</b>	a day (other than a Saturday or Sunday, or a public holiday) on which banks are generally open in the City of London for the transaction of normal banking business;
<b>“Cashless Exercise Proposal”</b>	the proposal of the same name contained in the letter to FuturaGene Optionholders setting out the proposals being made to them in relation to this Scheme;
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not in CREST);
<b>“Company” or “FuturaGene”</b>	FuturaGene plc, a public limited company incorporated in England and Wales with registered number 04001406;
<b>“Conditional Warrants”</b>	the 3,000,000 conditional warrants to subscribe for Ordinary Shares as constituted pursuant to the Conditional Warrant Instrument;
<b>“Conditional Warrant Instrument”</b>	the instrument created by FuturaGene on 30 November 2009 pursuant to which the Conditional Warrants were granted;
<b>“Court”</b>	the High Court of Justice of England and Wales;
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders (and any adjournment thereof) convened with the permission of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve the Scheme (with or without any modification);

<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which “Euroclear” is the Operator (as defined in the Regulations);
<b>“Effective Date”</b>	the date on which this Scheme becomes effective in accordance with clause 5;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“FuturaGene Optionholder”</b>	a holder of a FuturaGene Share Option;
<b>“FuturaGene Share Options”</b>	options to subscribe for Ordinary Shares granted pursuant to the FuturaGene Share Scheme;
<b>“FuturaGene Share Scheme”</b>	the FuturaGene plc 2007 Stock Option/Stock Issuance Scheme;
<b>“holder”</b>	the registered holder including any person entitled by transmission;
<b>“Ordinary Shares”</b>	the ordinary shares of £0.005 nominal value each in the capital of the Company;
<b>“Reduction Court Hearing”</b>	the hearing by the Court of the application to confirm the Reduction of Capital;
<b>“Reduction of Capital”</b>	the proposed reduction of the capital of the Company under section 648 of the Companies Act 2006 in connection with the Scheme;
<b>“Reduction Record Time”</b>	6.00 p.m. (London time) on the business day immediately prior to the Reduction Court Hearing;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“Scheme”</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Suzano Trading Limited;
<b>“Scheme Court Hearing”</b>	the hearing by the Court to sanction the Scheme;
<b>“Scheme Shares”</b>	Ordinary Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme;</li> <li>(ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and at or prior to the Reduction Record Time either on terms that the original and any subsequent holders thereof shall be bound by this Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by this Scheme;</li> </ul> <p>in each case other than any Ordinary Shares registered in the name of Suzano Papel e Celulose, Suzano Trading Limited or any member of the Suzano Group;</p>
<b>“Scheme Shareholders”</b>	holders of Scheme Shares;

<b>“Statement of Capital”</b>	a statement of capital of the Company prepared in accordance with section 649(2) of the Companies Act 2006 and approved by the Court;
<b>“Suzano Group”</b>	Suzano Papel e Celulose and its subsidiary undertakings from time to time and “member of the Suzano Group” shall be construed accordingly;
<b>“Suzano Papel e Celulose”</b>	Suzano Papel e Celulose S.A. a public company incorporated in Brazil with registered number 16404287000155;
<b>“Suzano Trading Limited”</b>	Suzano Trading Limited, a private limited company incorporated in the Cayman Islands with registered number 447821 and a member of the Suzano Group;
<b>“uncertificated” or “in uncertificated form”</b>	a share recorded on the relevant share register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“Unconditional Warrants”</b>	the 3,000,000 unconditional warrants to subscribe for Ordinary Shares as constituted pursuant to the Unconditional Warrant Instrument;
<b>“Unconditional Warrant Instrument”</b>	the instrument created by FuturaGene on 30 November 2009 pursuant to which the Unconditional Warrants were granted;
<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the day of such adjourned meeting; and
<b>“Warrants”</b>	the Conditional Warrants and the Unconditional Warrants;

and references to clauses are to clauses of this Scheme and references to time are to London time.

- (B) The issued share capital of the Company at the date of this Scheme is divided into Ordinary Shares all of which are credited as fully paid.
- (C) Prior to the Reduction Court Hearing, Suzano Trading Limited will acquire or have allotted to it fully paid one Ordinary Share.
- (D) Suzano Papel e Celulose and Suzano Trading Limited have agreed to appear by Counsel at the Scheme Court Hearing and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it (or them) for the purpose of giving effect to this Scheme.
- (E) FuturaGene Share Options to acquire 820,000 Ordinary Shares have been granted pursuant to the FuturaGene Share Scheme and are unexercised at the date of this document. It is anticipated that all FuturaGene Share Options will be exercised prior to the Reduction Record Time.
- (F) It is intended that the Warrants be cancelled in consideration for a cash payment to the holders of the Warrants of 90 pence per Warrant less the exercise price of the relevant Warrant.
- (G) The provisions of this Scheme are subject to the subsequent confirmation by the Court of the Reduction of Capital and accordingly may not be implemented until an office copy of the order of the Court confirming the Reduction of Capital provided for by this Scheme and the Statement of Capital have been delivered to the Registrar of Companies in England and Wales, and, if the Court so orders, registered by the Registrar of Companies.

## THE SCHEME

### 1. Cancellation of the Scheme Shares

1.1 The share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares.

1.2 Subject to and forthwith upon the said reduction of capital referred to in clause 1.1 taking effect:

1.2.1 the articles of association of the Company shall be amended by: (i) deleting the provision which, by virtue of paragraph 42(2) of Schedule 2 to the Companies Act 2006 (Commencement No. 8 Transitional Provisions and Savings) Order 2008, is treated as a provision of the articles of association of the Company setting out the maximum amount of shares that may be allotted by the Company; and (ii) article 3.1 of the articles of association of the Company shall be replaced by the following new article 3.1:

#### **“3.1 Share Capital**

The share capital of the Company is divided into ordinary shares of £0.005 each (“**Ordinary Shares**”).”; and

1.2.2 the reserve arising in the books of account of the Company as a result of the reduction of capital referred to in clause 1.1 of this Scheme shall be applied in paying up in full at par such new Ordinary Shares as is equal to the number of Scheme Shares cancelled pursuant to clause 1.1, which shall be allotted and issued credited as fully paid to Suzano Trading Limited and/or its nominee(s) and shall be registered in the name of Suzano Trading Limited and/or its nominee(s) in the register of members of the Company.

### 2. Consideration for the cancellation of the Scheme Shares

In consideration for the cancellation of the Scheme Shares and the creation and allotment and issue of the new Ordinary Shares as provided for in clause 1.2.2 of this Scheme, Suzano Trading Limited shall (subject as hereinafter provided) pay to or for the account of the holders of the Scheme Shares (as appearing in the register of members of the Company at the Reduction Record Time):

**for every Scheme Share      90 pence in cash**

### 3. Payments

3.1 As soon as practicable after the Effective Date and in any event not more than 14 days thereafter, Suzano Trading Limited shall:

3.1.1 in the case of Scheme Shares which at the Reduction Record Time were in certificated form, deliver or procure the delivery to the persons entitled thereto of cheques in respect of the sums payable to them respectively in accordance with clause 2 of this Scheme;

3.1.2 in the case of Scheme Shares which at the Reduction Record Time were in uncertificated form, arrange for the creation of an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements (as set out in the CREST manual) in respect of the sums payable to them respectively in accordance with clause 2 of this Scheme, PROVIDED that Suzano Trading Limited reserves the right to make payment of the said sums by cheque as aforesaid if, for any reason, it wishes to do so,

save that in relation to FuturaGene Optionholders who exercise their FuturaGene Share Options using the Cashless Exercise Proposal, deductions will be made from the sums payable to them in respect of the exercise price of the relevant FuturaGene Share Options in accordance with clause 2 of this Scheme.

3.2 All deliveries of cheques required to be made pursuant to this Scheme shall be effected by posting the same by first class post (or where appropriate air mail) in pre-paid envelopes addressed to the persons

entitled thereto at their respective addresses as appearing in the register of members of the Company at the Reduction Record Time (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the said register in respect of such joint holding at such time) or in accordance with any special instructions regarding communications. Neither Suzano Papel e Celulose, Suzano Trading Limited nor FuturaGene shall be responsible for any loss or delay in the transmission of cheques sent in accordance with this clause 3.2 which shall be sent at the risk of the person entitled thereto.

3.3 All cheques shall be made payable in sterling to the person to whom in accordance with the foregoing provisions of this clause 3 the envelope containing the same is addressed and the encashment of any such cheque or the creation of any such assured payment obligation as is referred to in clause 3.1.2 shall be a complete discharge to Suzano Bidco for the moneys represented thereby.

3.4 The provisions of this clause 3 shall be subject to any condition or prohibition imposed by law.

#### **4. Certificates and cancellations**

With effect from and including the Effective Date:

4.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the shares comprised therein and every holder thereof shall be bound at the request of the Company to deliver up the same to the Company or as it may direct for cancellation;

4.2 in respect of those holders of Scheme Shares in uncertificated form, Euroclear shall be instructed to cancel the entitlements to such Scheme Shares; and

4.3 as regards all Scheme Shares, appropriate entries will be made in the Company's register of members to reflect their cancellation.

#### **5. The Effective Date**

5.1 This Scheme shall become effective in accordance with its terms as soon as:

5.1.1 an office copy of the order of the Court sanctioning this Scheme under section 899 of the Companies Act 2006; and

5.1.2 an office copy of the order of the Court confirming the Reduction of Capital

shall have been delivered to the Registrar of Companies in England and Wales for registration and, in respect of the Court order confirming the Reduction of Capital and the Statement of Capital, if the Court so orders, on such office copy and the Statement of Capital having been registered by the Registrar of Companies in England and Wales.

5.2 Unless this Scheme shall have become effective on or before 31 August 2010 or such later date, if any, as the Company and Suzano Trading Limited may agree and the Court may allow, this Scheme shall never become effective.

#### **6. Modification**

The Company and Suzano Trading Limited may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may think fit to approve or impose.

#### **7. Governing law**

This Scheme is governed by English law and is subject to the jurisdiction of English courts.

Dated: **28 May 2010**

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility

- (a) The FuturaGene Directors, whose names appear in **paragraph 1(d)** below, accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to **paragraphs 1(b) and 1(c)** below. To the best of the knowledge and belief of the FuturaGene Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The executive officers of Suzano Papel e Celulose, whose names appear in **paragraph 1(e)** below, accept responsibility for the information contained in this document relating to Suzano Papel e Celulose, the Suzano Papel e Celulose Directors and members of their immediate families, related trusts and any other persons in whose interests in securities the Suzano Papel e Celulose Directors are taken to be interested pursuant to Part 22 of the Companies Act 2006, the information relating to the financing of the Proposal and the information set out in **paragraphs 3, 7 and 8 of Part I** and **paragraphs 4 and 14 of Part II** of this document. To the best of the knowledge and belief of the Suzano Papel e Celulose Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The Suzano Bidco Directors, whose names appear in **paragraph 1(f)** below, accept responsibility for the information contained in this document relating to Suzano Bidco, the Suzano Bidco Directors and members of their immediate families, related trusts and any other persons in whose interests in securities the Suzano Bidco Directors are taken to be interested pursuant to Part 22 of the Companies Act 2006, the information relating to the financing of the Proposal and the information set out in **paragraphs 3, 7 and 8 of Part I** and **paragraphs 4 and 14 of Part II** of this document. To the best of the knowledge and belief of the Suzano Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (d) The FuturaGene Directors and their respective functions are:  
Mark Pritchard, *Non Executive Chairman*  
Dr. Stanley Hirsch, *Chief Executive Officer*  
Dr. Ziv Shani, *Executive Director, Group Director of R&D*  
Peter Toynton FCA, *Non Executive Director*  
Dr. Michael Fromm, *Non Executive Director*  
Gaetan Waucquez, *Non Executive Director*

The registered office of FuturaGene, which is also the business address of each of the FuturaGene Directors, is Ten Dominion Street, London, EC2M 2EE.

- (e) The executive officers of Suzano Papel e Celulose and their respective functions are:  
Antonio dos Santos Maciel Neto, *Managing Officer (CEO)*  
Bernardo Szpigel, *CFO*  
Carlos Anibal Fernandes de Almeida Junior, *Paper Business Unit Executive Officer*  
Andre Dorf, *IR Strategy and New Business Officer Executive Officer*  
Joao Comerio, *Forestry Business Unit Executive Officer*  
Ernesto Peres Pousada Junior, *Operations Executive Officer*  
Carlos Alberto Griner, *Human Resources Executive Officer*  
Alexandre Yambanis, *Pulp Business Unit Executive Officer*

The registered office of Suzano Papel e Celulose, which is also the business address of each of the executive officers of Suzano Papel e Celulose, is Av Professor Magalhaes Neto 1752, Rooms 206 to 208, 41810-011, Salvador, Bahia, Brazil.

- (f) The Suzano Bidco Directors and their respective functions are:

Antonio dos Santos Maciel Neto, *Board Member*  
 Bernado Szpigel, *Board Member*  
 Carlos Anibal Fernandes de Almeida Junior, *Board Member*  
 Ernesto Peres Pousada Junior, *Board Member*

The registered office of Suzano Bidco, which is also the business address of each of Suzano Bidco Directors, is Caledonian House, 69 Dr. Roy's Drive, PO Box 1043, George Town, Cayman Islands.

## 2. Disclosure of interests, short positions and dealings in relevant securities

### (a) *Interests in Suzano Papel e Celulose securities*

As at the last day of the disclosure period, neither FuturaGene nor the FuturaGene Directors, their immediate families, related trusts nor (so far as the FuturaGene Directors are aware having made due and careful enquiry) any other person in whose interests in Suzano Papel e Celulose securities a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 held any interests, rights to subscribe or short positions in Suzano Papel e Celulose securities.

### (b) *Dealings in Suzano Papel e Celulose securities*

There have been no dealings for value by FuturaGene, the FuturaGene Directors, their immediate families, related trusts nor (so far as the FuturaGene Directors are aware having made due and careful enquiry) any other person in whose interests in Suzano Papel e Celulose securities a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 between the start of the Offer Period and the last day of the disclosure period.

### (c) *Interests in FuturaGene securities*

- (i) As at the last day of the disclosure period, the interests and short positions in FuturaGene securities of the FuturaGene Directors, their immediate families, related trusts and (so far as the FuturaGene Directors are aware having made due and careful enquiry) any other person in whose interests in FuturaGene securities a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 (all such interests being beneficial unless otherwise stated) were as follows (and as set out in **paragraph 2(c)(ii)** below in respect of options):

<i>Name</i>	<i>Details of FuturaGene securities</i>
Mark Pritchard	4,875,117 <sup>1</sup>
Dr. Stanley Hirsch	1,070,034 <sup>2</sup>
Dr. Ziv Shani	62,694 <sup>3</sup>

1 Includes 1,500,000 FuturaGene Shares registered in the name of Pershing Nominees Limited (the beneficial owner of which is Lomond Consultancy Limited, a company in which Mark Pritchard is a 50 per cent. shareholder).

2 Includes 1,065,751 FuturaGene Shares registered in the name of the Trustee, who holds such shares on behalf of Dr. Hirsch.

3 Registered in the name of the Trustee, who holds such shares on behalf of Dr. Shani.

- (ii) As at the last day of the disclosure period, the interests (all of which are beneficial unless otherwise stated) in options over FuturaGene Shares of the FuturaGene Directors, their immediate families, related trusts and (so far as the FuturaGene Directors are aware having made due and careful enquiry) any other person in whose interests in FuturaGene Shares a

FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 were as follows:

<i>Name</i>	<i>Number of FuturaGene Shares over which options exercisable</i>	<i>Exercise price per FuturaGene Share</i>	<i>Period during which option normally exercisable</i>
Dr. Stanley Hirsch	250,000	£0.61	No restrictions
Dr. Ziv Shani	150,000	£0.30	No restrictions
Dr. Ziv Shani	250,000	£0.1125	No restrictions

- (iii) As at the last day of the disclosure period, the interests and short positions in FuturaGene securities of Suzano Papel e Celulose or of persons acting in concert with Suzano Papel e Celulose in respect of the Scheme were as follows:

<i>Name</i>	<i>Details of FuturaGene securities</i>
International Institute for Bio-Science Research & Development LLC	4,374,633 FuturaGene Shares
Suzano Bidco	1 FuturaGene Share <sup>1</sup>

<sup>1</sup> See **paragraph 17(a)** in **Part II** of this document.

- (iv) As at the last day of the disclosure period, the interests and short positions in FuturaGene securities of a connected adviser to FuturaGene or to any of its associated companies or to any person acting in concert with FuturaGene in respect of the Scheme, or by persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager) were as follows:

<i>Name</i>	<i>Details of FuturaGene Securities</i>
Evolution Group	7,042 FuturaGene Shares

(d) ***Dealings in FuturaGene securities***

- (i) Between the start of the Offer Period and the last day of the disclosure period, dealings in FuturaGene Shares (excluding the exercise of options) by FuturaGene Directors, their immediate families, related trusts and (so far as FuturaGene Directors are aware having made due and careful enquiry) any other person whose interests in FuturaGene securities a FuturaGene Director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 were as follows:

<i>Date</i>	<i>Name</i>	<i>Nature of Transaction</i>	<i>Number of FuturaGene Shares</i>
18 May 2010	Dr. Stanley Hirsch <sup>1</sup>	Allotment of FuturaGene Shares pursuant to CBD Agreement	112,328
18 May 2010	Dr. Ziv Shani <sup>2</sup>	Allotment of FuturaGene Shares pursuant to CBD Agreement	33,000

<sup>1</sup> Registered in the name of the Trustee, who holds such shares on behalf of Dr. Hirsch.

<sup>2</sup> Registered in the name of the Trustee, who holds such shares on behalf of Dr. Shani.

- (ii) No options over FuturaGene Shares were exercised between the commencement of the Offer Period and the Printing Date by the FuturaGene Directors, their immediate families, related trusts and any other person in whose interests in FuturaGene Shares a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006.

- (iii) Dealings in FuturaGene securities during the disclosure period by Suzano Bidco, Suzano Papel e Celulose, the Suzano Bidco Directors, the Suzano Papel e Celulose Directors and any person acting in concert with Suzano Bidco and/or Suzano Papel e Celulose, were as follows:

<i>Name</i>	<i>Date</i>	<i>Nature of Transaction</i>	<i>Number of FuturaGene Shares</i>
International Institute for Bio-Science Research & Development LLC	19 May 2009	Subscription	4,045,100
International Institute for Bio-Science Research & Development LLC	18 May 2010	Allotment of FuturaGene Shares pursuant to CBD Agreement	116,523

- (iv) There have been no dealings in FuturaGene securities between the commencement of the Offer Period and the Printing Date by a connected adviser to FuturaGene or to any of its associated companies or to any person acting in concert with FuturaGene in respect of the Scheme, or by persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager).
- (v) There have been no dealings in FuturaGene securities between the commencement of the Offer Period and the Printing Date by any person who has an arrangement with FuturaGene or with any associate of FuturaGene in respect of relevant securities.
- (vi) There have been no purchases or redemptions of securities during the disclosure period by FuturaGene.

(e) **General**

- (i) As of the last day of the disclosure period, save as disclosed in this **paragraph 2** and **paragraph 5(iv)** of this Part VI, neither Suzano Bidco, Suzano Papel e Celulose nor any company associated with Suzano Bidco or Suzano Papel e Celulose nor any Suzano Bidco Directors or Suzano Papel e Celulose Directors, their immediate families, related trusts or (so far as the Suzano Bidco Directors and Suzano Papel e Celulose Directors are aware having made due and careful enquiry) any other person in whose interests in relevant securities a director is taken to be interested pursuant to Part 22 of the Companies Act 2006 nor any persons acting in concert with Suzano Bidco or Suzano Papel e Celulose in respect of the Scheme, was interested, directly or indirectly, in relevant securities nor had any right to subscribe for, or any short position in relation to, relevant securities during the disclosure period.
- (ii) As of the last day of the disclosure period, save as disclosed in **paragraph 2**, none of FuturaGene, the FuturaGene Directors, their immediate families, related trusts or (so far as FuturaGene Directors are aware having made due and careful enquiry) any other person in whose interests in relevant securities a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006, was interested, directly or indirectly, in relevant securities nor had any right to subscribe for, or any short position in relation to, relevant securities, nor has any such person dealt in any relevant securities between the commencement of the Offer Period and the Printing Date.
- (iii) As at the last day of the disclosure period, save as disclosed in **paragraph 2**, none of the FuturaGene Directors nor any member of their immediate families, related trusts or any other persons in whose interests in relevant securities a FuturaGene Director is taken to be interested pursuant to Part 22 of the Companies Act 2006, nor any company which is an associate of FuturaGene, nor any connected adviser to FuturaGene or to a company which is an associate of FuturaGene or to a person acting in concert with FuturaGene nor any person controlling, controlled by, or under the same control as such connected adviser (other than any exempt principal trader or exempt fund manager) nor any pension fund or employee benefit trust of FuturaGene or of a company which is an associate of FuturaGene had an interest in or a right to subscribe for any relevant securities of FuturaGene (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or

take delivery, nor had any of the foregoing dealt in any relevant securities of FuturaGene between the commencement of the Offer Period and the Printing Date.

- (iv) As of the last day of the disclosure period, save as disclosed in **paragraph 2**, no associated company of FuturaGene, no pension fund of FuturaGene or of any of its associated companies, no employment benefit trust of FuturaGene or of any of its associated companies and no connected adviser to FuturaGene or to any of its associated companies or to a person acting in concert with FuturaGene in respect of the Scheme and no persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager) was interested in relevant securities, nor had any right to subscribe for, or had any short position in relation to, relevant securities, nor has any such person dealt in any relevant securities between the commencement of the Offer Period and the Printing Date.

(f) **Definitions**

For the purposes of this **paragraph 2**:

- (i) **“arrangement”** includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing.
- (ii) **“associate”** means:
  - (A) any parent, subsidiary, fellow subsidiary and associated company of Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene and any company of which any such parent, subsidiary, fellow subsidiary or associated company is an associated company (**“relevant companies”**);
  - (B) connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
  - (C) the Suzano Bidco Directors, the Suzano Papel e Celulose Directors or (as the case may be) the FuturaGene Directors or the directors of any relevant company (together in each case with any member of their immediate families or related trusts); and
  - (D) the pension funds of Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene or of any relevant company;
  - (E) an investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
  - (F) an employee benefit trust of Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene or any relevant company; and
  - (G) a company having a material trading arrangement with Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene as the case may be;
- (iii) **“connected adviser”** means a corporate broker to Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene (unless unable to act in connection with the Proposal because of a conflict of interest) or to an adviser, in relation to the Proposal, to (as the case may be) Suzano Bidco, Suzano Papel e Celulose, FuturaGene or an associated company of Suzano Bidco, Suzano Papel e Celulose or FuturaGene or, in relation to a person acting in concert with Suzano Bidco, Suzano Papel e Celulose or with the Suzano Bidco Directors, Suzano Papel e Celulose Directors or the FuturaGene Directors, to an adviser in relation to the matter which is the reason for that person being a member of the relevant concert party;
- (iv) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and **“control”** means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share

capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives *de facto* control;

- (v) **“dealing”** means:
- (A) the acquisition or disposal of securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
  - (B) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene) or variation of an option (including a traded option contract) in respect of any securities;
  - (C) subscribing or agreeing to subscribe for securities;
  - (D) the exercise or conversion, whether in respect of new or existing securities, or any securities carrying conversion or subscription rights;
  - (E) the acquisition of, disposal of, entering into, closing out, exercise (by either Suzano Bidco, Suzano Papel e Celulose or (as the case may be) FuturaGene) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (F) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
  - (G) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (vi) **“derivative”** means any financial product whose value in whole or in part is determined directly by reference to the price of the underlying security;
- (vii) **“disclosure period”** means the period commencing on 23 February 2009 (the date 12 months prior to the commencement of the Offer Period) and ending on 27 May 2010 (being the latest practicable date prior to the posting of this document);
- (viii) a person has an **“interest”** in securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of securities (but not if he only has a short position in such securities) and in particular if:
- (A) he owns them;
  - (B) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (C) by virtue of any agreement to purchase, option or derivative he:
    - (1) has the right or option to acquire them or call for their delivery or
    - (2) is under an obligation to take delivery of them;whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise or;
  - (D) he is party to any derivative:
    - (1) whose value is determined by reference to the price and
    - (2) which results, or may result, in his having a long position in them;

- (ix) **“relevant securities”** means FuturaGene securities and/or Suzano Bidco securities and/or Suzano Papel e Celulose securities except in **sub-paragraphs (e)(i) and (iii)** above when it means FuturaGene securities; and
- (x) **“securities”** means shares and securities convertible into, or rights to subscribe for, shares, options (including traded options) in respect thereof and derivatives referenced thereto and **“FuturaGene securities”**, **“Suzano Bidco securities”** and **“Suzano Papel e Celulose securities”** shall be construed accordingly.

### 3. Market quotations

The following table sets out the Closing Price for FuturaGene Shares (as derived from the AIM Appendix to the Daily Official List), on the first Business Day in each of the six months prior to the Printing Date, on 22 February 2010 (being the Business Day prior to the commencement of the Offer Period) and on the Printing Date:

<i>Date</i>	<i>FuturaGene Share price (p)</i>
1 December 2009	57
4 January 2010	74
1 February 2010	71
22 February 2010	84
1 March 2010	82
1 April 2010	51
4 May 2010	68
27 May 2010	87.5

### 4. FuturaGene Share Scheme

The options granted under the FuturaGene Share Scheme will become exercisable in full (to the extent not already exercisable) as a result of the Proposal. The terms of the Scheme, if it becomes effective, will bind all FuturaGene Shareholders, including persons acquiring FuturaGene Shares prior to the Reduction Record Time under the terms of the FuturaGene Share Scheme.

FuturaGene Optionholders are being invited to exercise their FuturaGene Share Options conditional on the Court sanctioning the Scheme. The FuturaGene Shares required to satisfy the FuturaGene Share Options held by Israel tax residents will be issued to a trustee approved for Israeli tax purposes under the FuturaGene Share Scheme. The FuturaGene Shares resulting from FuturaGene Share Options exercised prior to 9.00 a.m. on the day on which the Reduction Record Time falls will be issued prior to the Reduction Record Time and will be Scheme Shares. The proposal includes the offer of a cashless exercise facility or a loan from the Company’s Israeli subsidiary, CBD Technologies Ltd., to cover the exercise price.

Full details of these proposals will be set out in letters which are to be sent to FuturaGene Optionholders.

### 5. FuturaGene material contracts

Save as set out below, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by FuturaGene or any of its subsidiaries during the period beginning two years before the commencement of the Offer Period which are or may be material:

#### (i) *Non Disclosure and Exclusivity Agreement*

Pursuant to the Non-Disclosure and Exclusivity Agreement, each party (**“Receiving Party”**) has agreed to use confidential information of the other party (**“Disclosing Party”**) only for the purposes of the Acquisition and to keep the Disclosing Party’s confidential information confidential subject to various standard exceptions. The obligations undertaken by the Receiving Party under the agreement apply whether or not the Acquisition is completed.

Each party has acknowledged that discussions have been entered into with certain FuturaGene employees and Suzano Papel e Celulose has agreed not to approach other employees of the

FuturaGene Group in connection with the Acquisition without the consent of FuturaGene (such consent not to be unreasonably withheld or delayed). Each party has undertaken to the other that neither it nor any other member of its group will, for a period of 12 months after the date of the agreement, use any of the other party's confidential information to, directly or indirectly, solicit or entice away or endeavour to solicit or entice away (i) any person who is at any time during the course of discussions relating to the Acquisition employed by or provides services to the other party or any other member of its group (provided that these restrictions do not apply to the placing of any general non-targeted advertisement for the purposes of recruitment); or (ii) any distributor, agent, customer or supplier of the other party or any member of its group.

FuturaGene has undertaken that, amongst other things, until the Termination Date (as defined below), it: (i) will not, and will procure that each member of its group and its and their representatives and advisers will not, directly or indirectly, solicit, encourage or initiate any proposals or offers from any entity other than Suzano Papel e Celulose or a member of the Suzano Group relating to any Prohibited Transaction (as defined below); (ii) without prejudice to (i) above, will provide to Suzano Papel e Celulose any information to be provided to any third party in connection with a Prohibited Transaction at the same time as it is being provided to such third party; (iii) will notify Suzano Papel e Celulose of the fact that it has received an approach or proposal by any third party in connection with a *bona fide* potential Prohibited Transaction save for the identity of such third party; and (iv) will not, and will procure that each other member of its group will not, without Suzano Papel e Celulose's consent (such consent not to be unreasonably withheld or delayed) effect certain matters.

The matters which are prohibited are, amongst others: (a) the issue, transfer or sale of any shares in FuturaGene (save pursuant to share option schemes or warrant instruments already established); (b) the issue or grant of options (other than pursuant to share option schemes which are already established); (c) the amendment of the service agreement of any director or employee of the FuturaGene Group with a total annual remuneration package (inclusive of any bonus) of £50,000 or more (or its equivalent) or the provision, or agreement to provide, a gratuitous payment or benefit to any such person; or (d) the disposal of or acquisition of assets which are material to the FuturaGene Group or are outside the ordinary course of business; or (e) the entry into contracts which are material to the FuturaGene Group or are outside the ordinary course of business.

For the purposes of the above undertakings, the Termination Date is the earliest of: (i) the date on which the parties agree that negotiations and discussions in relation to the Acquisition have terminated; (ii) if Suzano Papel e Celulose and FuturaGene have failed to agree the terms of (a) the Acquisition and (b) a public announcement of Suzano Papel e Celulose's firm intention to carry out the Acquisition on a recommended basis on or prior to 30 May 2010 (a "**Recommended Announcement**") and have not on or by that date made such announcement, 31 May 2010; (iii) if Suzano Papel e Celulose has made a Recommended Announcement, the date on which the FuturaGene Board determines that it is no longer in a position to recommend or continue to recommend the Acquisition; (iv) the date on which Suzano Papel e Celulose fails to confirm its intention to proceed with the Acquisition pursuant to an agreed procedure; and (v) 31 August 2010.

For the purposes of the above undertakings, a Prohibited Transaction comprises a general offer for the entire issued and to be issued share capital of FuturaGene or business and assets of FuturaGene (or, in each case, a substantial part thereof meaning shares carrying not less than 25 per cent. of the voting rights of FuturaGene or not less than 25 per cent. of the assets of the FuturaGene Group) or any proposal for a merger of FuturaGene's Group with any other entity.

(ii) *Implementation Agreement*

Suzano Papel e Celulose, Suzano Bidco and FuturaGene have entered into the Implementation Agreement in relation to the implementation of the Proposal and related matters in accordance with an agreed indicative timetable. The Implementation Agreement contains, among other things, certain assurances and confirmations between the parties, including provisions governing the conduct of the FuturaGene Group, the obligation on Suzano Bidco to pay the consideration due under the Proposal

and the guarantee by Suzano Papel e Celulose of such obligation and Suzano Bidco's other obligations under the agreement.

The Implementation Agreement terminates in certain circumstances, including:

- if the resolutions approving the Scheme at the Court Meeting or the Special Resolution at the General Meeting are not passed and Suzano Bidco does not subsequently elect to implement the Proposal by way of a takeover offer;
- if the Proposal has not become effective by the Long Stop Date; or
- by notice from either FuturaGene or Suzano Bidco in certain specified circumstances.

FuturaGene has agreed to pay a break fee to Suzano Bidco of one per cent. of the aggregate value of the highest offer made by Suzano Bidco in respect of the Proposal calculated by reference to the then offer price per FuturaGene Share and the fully diluted equity share capital of FuturaGene (exclusive of any recoverable VAT). The break fee will be payable if (i) the FuturaGene Directors withdraw, adversely qualify or adversely modify (including if the FuturaGene Directors determine or publicly announce that they are recommending or have agreed or resolved to recommend an Alternative Acquisition Proposal) their recommendation of the Proposal and the Scheme or do not make a unanimous and unqualified recommendation of the Acquisition, and the Scheme (or, if Suzano Bidco has elected to effect an offer, the Offer) subsequently is withdrawn, terminates or lapses, or (ii) an Alternative Acquisition Proposal is made and subsequently becomes or is declared unconditional in all respects or completes (as relevant).

Suzano Bidco has agreed to pay a reverse break fee to FuturaGene of one per cent. of the aggregate value of the highest offer made by Suzano Bidco in respect of the Proposal calculated by reference to the then offer price per FuturaGene Share and the fully diluted equity share capital of FuturaGene (exclusive of any recoverable VAT). The reverse break fee will be payable if the Implementation Agreement is terminated or the Scheme is withdrawn, terminates or lapses other than (i) as a result of written consent of FuturaGene, Suzano Bidco and Suzano Papel e Celulose, (ii) as a result of the Long Stop Date having been reached, (iii) in the event of non-satisfaction of any of Conditions 1(a) to 1(c) (inclusive) if, on the tenth day after the non-satisfaction of any such Conditions, Suzano Papel e Celulose has not publicly announced an Offer, (iv) as a result of invocation of any of Conditions 2(a) to 2(d) (inclusive) by Suzano Bidco or if FuturaGene is in material breach of the Implementation Agreement and such breach is not remedied within a reasonable period of time (not exceeding five Business Days), (v) as a result of the recommendation of the FuturaGene Directors contained in this document no longer being unanimous or being withdrawn or adversely modified at any time or (vi) as a result of an Alternative Acquisition Proposal becoming or being declared wholly unconditional or being completed or a scheme in connection with an Alternative Acquisition Proposal becoming effective.

Under the Implementation Agreement, FuturaGene has agreed not to solicit any third party proposals relating to or in respect of any Alternative Acquisition Proposal, save that it shall not be prevented from responding to or otherwise dealing with any unsolicited offer or proposal. If FuturaGene receives a *bona fide* approach or proposal by a third party and the FuturaGene Directors reasonably consider such approach may result in an Alternative Acquisition Proposal, FuturaGene will, within two Business Days, notify Suzano Bidco of the fact of such approach (save that FuturaGene shall not be required to disclose the identity of the third party) and will provide Suzano Bidco a period of three Business Days from the date of the approach to announce a revised offer which the FuturaGene Directors determine to continue to recommend, during which three Business Day period FuturaGene will not recommend the Alternative Acquisition Proposal. FuturaGene has also agreed to provide to Suzano Bidco any information provided to any third party in connection with an Alternative Acquisition Proposal at the same time as it is provided to such third party.

(iii) *CBD Agreement*

Pursuant to the CBD Agreement, FuturaGene acquired CBD Technologies Inc. (“**CBD**”) in consideration for the issue of 4,950,000 FuturaGene Shares to, amongst others, CBD Stockholders. Under the terms of the agreement, FuturaGene had the obligation to issue a further 6,670,000 FuturaGene Shares if certain conditions and revenue targets were met and, on 18 May 2010, FuturaGene issued 2,750,000 FuturaGene Shares following satisfaction of such a condition. The effect of the Scheme on CBD Stockholders and CBD Warrant Holders is set out in **paragraph 13 of Part II** of this document.

(iv) *Option Agreement*

Pursuant to an option agreement entered into between FuturaGene and Suzano Papel e Celulose on 3 February 2009, Suzano Papel e Celulose, was granted an option to subscribe for up to 4,265,000 FuturaGene Shares for an aggregate subscription price of US\$2,200,000 (“**Option**”). The Option was exercised in respect of 4,045,100 FuturaGene Shares on 5 May 2009. The agreement provided that Suzano Papel e Celulose’s interest in the Company would be no less than nine per cent. of the issued share capital of the Company taking into account the issue of the 2,750,000 FuturaGene Shares issued on 18 May 2010 in connection with the CBD Agreement. In addition, the agreement provided that, in the event that the Option was exercised, Suzano Papel e Celulose be granted an anti-dilution right whereby if, within six months of the exercise of the Option, further FuturaGene Shares were issued to particular individuals under a merger agreement dated 19 May 2004 between, amongst others, FuturaGene and FuturaGene Inc., Suzano Papel e Celulose would be entitled to be issued with further FuturaGene Shares to maintain a 9 per cent. interest in the issued share capital of the Company. As a result of recent issues of FuturaGene Shares including the 2,750,000 FuturaGene Shares issued on 18 May 2010, Suzano Papel e Celulose is entitled to have allotted and issued to it 336,445 FuturaGene Shares. As at 27 May 2010 (the last practicable Business Day prior to the date of this document), Suzano Papel e Celulose has not exercised its right to have such shares issued to it.

Upon exercise of the Option, Suzano Papel e Celulose was granted a right to appoint a director to the FuturaGene Board for an initial period of three years, thereafter retaining this seat on an annual basis provided Suzano Papel e Celulose continues to be interested in 5 per cent. of the issued share capital of the Company at the commencement of each subsequent 12 month period. As at 27 May 2010 (the last practicable Business Day prior to the date of this document) Suzano Papel e Celulose has not exercised this right.

(v) *Placing Letters dated 30 November 2009*

On 30 November 2009, FuturaGene issued placing letters to certain investors in connection with a subscription for 6,000,000 FuturaGene Shares at an aggregate subscription price of £3,000,000 and the Unconditional Warrants and Conditional Warrants. For details of the implications of the Scheme with respect to the Warrants refer to **paragraph 11 of Part II** of this document.

(vi) *Consultancy Arrangement with Lomond Consultancy Limited (“**Lomond**”)*

With effect from 5 January 2005, being the date when Mark Pritchard joined the FuturaGene Board, payments have been made by FuturaGene to Lomond in relation to consultancy services provided by Mark Pritchard as a director of the Company. This arrangement is not in writing and operates in conjunction with the non-executive letter of appointment of Mark Pritchard, a summary of which is set out in **paragraph 7.2(a)** of this **Part VI**. During the year to 31 December 2009, Lomond received a gross payment of £30,000 such amount being paid quarterly in arrears.

(vii) *Settlement Agreement*

On 31 December 2008, the FuturaGene Board announced that it had settled all of the existing legal claims between the Company and certain founders, namely Bruno Ruggiero, Francesco Ruggiero, Marta Zgagacz, Ray Bressan, Hans Bohnert, Jiang-Kang Zhu, Vinisha Agnohotri and Anmol Agnohotri. Although the specific terms of the settlement are confidential, pursuant to Rule 12 of the AIM Rules the Company made the following disclosures: (i) all parties had terminated all lawsuits

against each other; (ii) FuturaGene had not issued, nor will it issue in the future, any additional FuturaGene Shares to Bruno Ruggiero, Francesco Ruggiero, Marta Zgagacz, Ray Bressan, Hans Bohnert, Jiang-Kang Zhu, Vinisha Agnohotri and Anmol Agnohotri; (iii) FuturaGene had reached an out of court settlement with Bruno Ruggiero in respect of the wrongful dismissal case, without any admission of wrong doing; and (iv) FuturaGene had requested that a licence to a discovery known as “Osmotin” be transferred back to Purdue Research Foundation; the Company deeming Osmotin not material for its business. FuturaGene also agreed to issue 165,000 FuturaGene Shares at nominal value to a consultant who assisted in effecting the settlement.

- (viii) *Release Agreements with Mark Pritchard, Ben Anderson and Paul Michael Hasegawa dated 26 March 2009 in respect of the release agreement with Mark Pritchard and Ben Anderson, and February 2009 in respect of the release agreement with Paul Michael Hasegawa*

Under the terms of the merger agreement dated 19 May 2004 pursuant to which FuturaGene acquired the issued share capital of FuturaGene Inc. (“**Merger Agreement**”), deferred consideration of up to a maximum of 26,000,000 FuturaGene Shares were potentially issuable to the original shareholders of FuturaGene Inc. on the achievement of certain milestones. The principal milestones involved the licensing-in of three new discoveries from members of FuturaGene’s scientific advisory board and the receipt of commercial offers to out-license genes in the FuturaGene Inc. portfolio. On 31 December 2008, FuturaGene announced that, under the terms of a settlement agreement made with a number of the founder shareholders of FuturaGene Inc., those founder shareholders had agreed to relinquish all rights to receive any additional shares under the Merger Agreement. On 8 July 2009, the Board of FuturaGene announced that it had reached agreement with the remaining founder shareholders of FuturaGene Inc., who had also agreed to relinquish their rights to receive additional consideration shares pursuant to the Merger Agreement. Under the agreements, in consideration of their respective agreements to release FuturaGene from its obligations under the Merger Agreement, FuturaGene agreed to issue FuturaGene Shares at nominal value as follows: 1,000,000 FuturaGene Shares to each of Mark Pritchard and Ben Anderson and 158,018 FuturaGene Shares to Mike Hasegawa. Under the previous arrangements these individuals would have received up to 9,000,000 FuturaGene Shares.

## **6. Irrevocable commitments**

### **(a) FuturaGene Directors**

The FuturaGene Directors whose names are set out in column 1 below have irrevocably undertaken to Suzano Bidco: (i) to vote (or (as applicable) to use reasonable endeavours to procure voting or to request that the Trustee votes) in favour of the resolutions relating to the Proposal at the Meetings; and (ii) if the Proposal is subsequently structured as a takeover offer, to accept (or (as applicable) to use reasonable endeavours to procure acceptance of or to request that the Trustee accepts) any potential recommended takeover offer by Suzano Bidco in respect of their interest in FuturaGene Shares, being the number of FuturaGene Shares set out in column 2 below against their name.

1 Name	2 Number of FuturaGene Shares	3 Percentage of FuturaGene's current issued share capital eligible to be voted at the:	
		Court Meeting	General Meeting
Mark Pritchard	3,375,117	6.2%	5.7%
Dr. Stanley Hirsch	1,070,034 <sup>1</sup>	2%	1.8%
Dr. Ziv Shani	62,694 <sup>2</sup>	0.1%	0.1%

1 Includes 1,065,751 FuturaGene Shares registered in the name of the Trustee, who holds such shares on behalf of Dr. Stanley Hirsch. Dr. Stanley Hirsch has irrevocably undertaken to request that the Trustee (i) votes in favour of the resolutions relating to the Proposal at the Meetings and (ii) if the Proposal is subsequently structured as a takeover offer, to accept any potential recommended takeover offer by Suzano Bidco in respect of these shares. The Trustee has confirmed that it will vote in favour of the resolutions relating to the Proposal at the Meetings.

2 These FuturaGene Shares are registered in the name of the Trustee, who holds them on behalf of Dr. Ziv Shani. Dr. Ziv Shani has irrevocably undertaken to request that the Trustee (i) votes in favour of the resolutions relating to the Proposal at the Meetings and (ii) if the Proposal is subsequently structured as a takeover offer, to accept any potential recommended takeover offer by Suzano Bidco in respect of these shares. The Trustee has confirmed that it will vote in favour of the resolutions relating to the Proposal at the Meetings.

(b) **Other FuturaGene Shareholders**

The FuturaGene Shareholders whose names are set out in column 1 below have irrevocably undertaken to Suzano Bidco: (i) to vote (or (as applicable) to use reasonable endeavours to procure voting) in favour of the resolutions relating to the Proposal at the Meetings; and (ii) if the Proposal is subsequently structured as a takeover offer, to accept (or (as applicable) to use reasonable endeavours to procure acceptance of) any potential recommended takeover offer by Suzano Bidco in respect of their own holdings of FuturaGene Shares, being the number of FuturaGene Shares set out in column 2 below against their name.

1 Name	2 Number of FuturaGene Shares	3 Percentage of FuturaGene's current issued share capital eligible to be voted at the:	
		Court Meeting	General Meeting
Ben Anderson	3,400,099	6.2%	5.8%
Peter Bullen	1,688,244 <sup>1</sup>	3.1%	2.9%
Florinvest S.A.	2,698,314	4.9%	4.6%
Hartford Growth (Trading) Limited	3,000,000	5.5%	5.1%
Lomond Consultancy Limited	1,500,000	2.8%	2.5%
Iraj Parvizi	6,709,500 <sup>2</sup>	12.3%	11.4%
Thayer Gate Business Solutions, Inc. (and associates)	82,500	0.1%	0.1%

1 These FuturaGene Shares are registered in the name of Pershing Nominees Limited.

2 These FuturaGene Shares are registered in the name of Pershing Nominees Limited.

The irrevocable undertakings referred to in this **paragraph 6** all cease to be binding in the following circumstances:

- (i) if the Scheme lapses or is withdrawn on or prior to, or the Scheme does not become effective by, 31 August 2010 in accordance with its terms and (a) Suzano Bidco announces that it does not intend to switch to an Offer or (b) Suzano Bidco does not announce a firm intention to make an Offer within 10 days of the Scheme lapsing, being withdrawn or not having become effective or (c) Suzano Bidco announces a firm intention to make an Offer but does not post an offer document containing the formal terms of the Offer (the “**Offer Document**”) within 28 days of such announcement;

- (ii) if the Offer Document is posted and the Offer does not become unconditional in all respects prior to 31 October 2010; and
- (iii) in the case of the irrevocable undertakings referred to in **paragraph (b)** above, if a third party announces a firm intention to make an offer (which is not subject to any pre-condition) to acquire the entire issued share capital of FuturaGene at a price which values the existing issued share capital of FuturaGene at 10 per cent. or more above the value of the Proposal as set out in **paragraph 2 of Part I** of this document.

## **7. FuturaGene Directors' employment arrangements**

The key terms of the service agreements in force between any FuturaGene Director and FuturaGene or any of its subsidiaries are set out below. Save as noted below, no such contracts have been entered into or amended within six months of the date of this document.

### **7.1 Executive FuturaGene Directors**

The key terms of the existing service agreements of the executive FuturaGene Directors are as follows:

#### **(a) Dr. Stanley Hirsch**

Dr. Stanley Hirsch, as an employee of CBD Technologies Ltd and through his consultancy company, Zeas Technology & Science Management Ltd ("**Zeas**") provides his services (as an independent contractor in the latter case) in the position of (i) chief executive officer of CBD Technologies Limited; and (ii) chief executive officer of the Company from 1 August 2007 pursuant to the terms of a consultancy agreement entered into on 19 December 2006 between CBD Technologies Limited and Zeas, which was amended pursuant to an amendment agreement dated 28 April 2008. Dr. Hirsch was appointed a director of FuturaGene on 15 August 2007.

Dr. Hirsch and Zeas are paid an annual aggregate sum of US\$300,000 (having been increased by US\$25,000 in December 2009), plus VAT (in the case of Zeas), payable in Israeli Shekel's ("**NIS**") based on the exchange rate of US\$ to NIS as published by the Bank of Israel. This includes a monthly salary of NIS 1,165 and management insurance and loss of ability to work insurance contributions equal to, in aggregate, 7.5 per cent. of his basic salary. For the purposes of the consultancy agreement, an exchange rate floor of US\$1 to 4 NIS applies. Zeas is entitled to a performance related bonus determined by the remuneration committee of the FuturaGene Board. Zeas is to provide the services of Dr. Hirsch for no less than an average of 3.5 working days per week although in practice Dr. Hirsch provides his services on a full time basis. Zeas is also entitled to the use of a company car (of which, the tax charge is covered by the monthly salary payment to Dr. Hirsch) and a mobile phone, in each case for the sole purpose of use by Dr. Hirsch. Zeas is also entitled to home internet and a phone line and any other equipment required to enable Zeas to provide the consultancy services as envisaged by the consultancy agreement. Zeas is entitled to be reimbursed reasonable expenses incurred for the provision of the consultancy services (including the per diem allowance for overseas travel out of Israel).

The consultancy agreement contains restrictive covenants given by Zeas and Dr. Hirsch applicable during the term of the consultancy agreement and for a period of 12 months following termination preventing either of them from initiating any commercial contact with, *inter alia*, any employees of CBD Technologies Limited and/or its customers and/or the service providers of CBD Technologies Limited in any business matter of any sort whatsoever which may mean competing with the business of CBD Technologies Limited. The consultancy agreement is terminable on either party giving 90 days' notice of termination or immediately in certain circumstances. In addition to any amounts payable to Zeas under the consultancy agreement, in certain circumstances, where the consultancy agreement is terminated by either Zeas or CBD Technologies Ltd., Zeas is entitled to a payment of US\$210,000 plus VAT.

In lieu of options which were to be granted to Dr. Hirsch, it has been agreed that Dr. Hirsch or Zeas will receive a cash bonus of US\$300,000 upon the Scheme becoming effective. If the Scheme does not become effective the bonus will be substituted with options over FuturaGene Shares.

(b) *Dr. Ziv Shani*

Dr. Ziv Shani is an employee of CBD Technologies Ltd. pursuant to an employment agreement dated 24 January 1999. Dr. Shani was appointed a director of FuturaGene on 31 July 2009. Dr. Shani's basic salary is NIS 50,000 per month having been increased from NIS 46,000 per month in December 2009 and he is entitled to be reimbursed all reasonable expenses and to the use of a car (of which all fixed and variable costs associated with his duties are paid for by the Company). Dr. Shani is entitled to management insurance, loss of ability to work insurance and study fund contributions equal to 10 per cent. of his basic salary. The agreement is terminable on either party giving at least 90 days notice of termination. In the event of termination or resignation, all management insurance payments, pension payments, study payments and any other social payments will automatically be transferred to Dr. Shani.

In lieu of options which were to be granted to Dr. Shani, it has been agreed that Dr. Shani will receive a cash bonus of US\$200,000 upon the Scheme becoming effective. If the Scheme does not become effective the bonus will be substituted with options over FuturaGene Shares.

## 7.2 *Non-executive FuturaGene Directors*

The key terms of the letters of appointment of the non-executive FuturaGene Directors are as follows:

(a) *Mark Pritchard*

Mark Pritchard was appointed as a director and chairman of FuturaGene on 5 January 2005. Mr. Pritchard's annual basic salary is £30,000. Mr. Pritchard is also entitled to be reimbursed all reasonable expenses and costs incurred by him in the discharge of his duties. The appointment is terminable on either party giving at least 12 months' written notice of termination or immediately in certain circumstances. The service contract contains restrictive covenants given by Mr. Pritchard applicable on termination preventing him from competing with the business or soliciting customers or senior employees for 12 months after termination. No benefits are paid to Mr. Pritchard on termination.

(b) *Peter Toynton*

Peter Toynton was appointed a non-executive director on 1 December 2005. Mr. Toynton's annual basic salary is £30,000 and he is entitled to be reimbursed for all reasonable expenses incurred by him in the performance of his duties. The letter of appointment is terminable on either party giving one months' notice of termination or immediately in certain circumstances. No benefits are paid to Mr. Toynton on termination save for accrued fees and reimbursement of any expenses properly incurred prior to such termination.

In lieu of options which were to be granted to Mt Toynton, it has been agreed that Mr. Toynton will receive a cash bonus of US\$25,000 upon the Scheme becoming effective. If the Scheme does not become effective the bonus will be substituted with options over FuturaGene Shares.

(c) *Dr. Michael Fromm*

Dr. Michael Fromm was appointed a non-executive director of FuturaGene on 19 July 2006. Dr. Fromm's annual basic salary is US\$30,000 and he is entitled to be reimbursed for all reasonable expenses incurred by him in the performance of his duties. The letter of appointment is terminable on either party giving at least three months written notice or immediately in certain circumstances. No benefits are paid to Dr. Fromm on termination.

In lieu of options which were to be granted to Mr. Fromm, it has been agreed that Mr. Fromm will receive a cash bonus of US\$25,000 upon the Scheme becoming effective. If the Scheme does not become effective the bonus will be substituted with options over FuturaGene Shares.

(d) *Gaetan Waucquez*

Gaetan Waucquez was appointed a non-executive director of the Company on 19 December 2006. Mr. Waucquez is not paid any fee in respect of his non-executive director appointment but is entitled to be reimbursed for all reasonable expenses properly incurred by him in the performance of his duties. The letter of appointment is terminable by Mr. Waucquez immediately on notice being given to the FuturaGene Board and is terminable by the Company on three months' notice and immediately in certain circumstances. No benefits are paid to Mr. Waucquez on termination.

## 8. Financing arrangements

The Consideration payable under the Acquisition will be funded from the existing cash resources of Suzano Papel e Celulose.

Under the Implementation Agreement, Suzano Papel e Celulose has agreed to guarantee the payment of the consideration due under the Proposal for the benefit of the FuturaGene Shareholders.

Neither the payment of interest on, nor any repayment of, nor security for, any liability (contingent or otherwise) of Suzano Papel e Celulose will depend to any significant extent on the business of FuturaGene.

## 9. Persons acting in concert

(a) *Suzano Bidco and Suzano Papel e Celulose*

In addition to the members of the Suzano Bidco Group and the Suzano Papel e Celulose Group and each of their respective directors, the persons who are acting in concert with Suzano Bidco and Suzano Papel e Celulose in respect of the Scheme are as follows:

<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship with Suzano Bidco/Suzano Papel e Celulose</i>
BNP Paribas S.A. (London branch)	French public limited company	10 Harewood Avenue, London NW1 6AA	Financial adviser

(b) *FuturaGene*

In addition to the members of the FuturaGene Group and each of their directors, the persons who are acting in concert with FuturaGene in respect of the Scheme are as follows:

<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship with FuturaGene</i>
Evolution Securities Limited	English private limited company	100 Wood Street London EC2V 7AN	Financial adviser

## 10. Bases and sources of information

Save as otherwise set out in this document, the following constitute the bases and sources of information referred to in this document:

- (a) the value of the Proposal is calculated on the basis of the fully diluted number of FuturaGene Shares referred to in **paragraph (b)** below;
- (b) the fully diluted share capital of FuturaGene (being 65,792,239 FuturaGene Shares) is calculated on the basis of:

- (i) the number of FuturaGene Shares in issue on 27 May 2010, being the Printing Date, being 58,972,239 FuturaGene Shares; and
- (ii) any further FuturaGene Shares which may be issued on or after the date of this document (i) on the exercise of FuturaGene Share Options and/or (ii) on the exercise of the Warrants, both (i) and (ii) amounting in aggregate to a maximum of 6,820,000 FuturaGene Shares.

For the purposes of this document, it is assumed that all FuturaGene Share Options and all Warrants which are “in the money” will be exercised in full over all FuturaGene Shares which are subject to such options and warrants;

- (c) the financial information relating to Suzano Papel e Celulose is extracted from its consolidated results for the fourth quarter of 2009;
- (d) the financial information relating to FuturaGene is extracted from its annual report and accounts for the year ended 31 December 2009;
- (e) all prices for FuturaGene Shares have been derived from the AIM appendix of the Daily Official List and represent Closing Prices on the relevant date(s); and
- (f) the approximate Pounds Sterling values relating to the net sales and EBITDA of Suzano Papel e Celulose referred to in **paragraph 4 of Part II** of this document are derived from an average exchange rate of 3.11 Brazilian Reals to 1 Pounds Sterling as quoted on Datastream for the year ended 31 December 2009. The approximate Pounds Sterling values relating to the cash and cash equivalent resources and net financial debt are derived from the year end exchange rate of 2.82 Brazilian Reals to 1 Pounds Sterling as quoted on Datastream for the year ended 31 December 2009. The approximate Pounds Sterling value relating to the market capitalisation of Suzano Papel e Celulose referred to in **paragraph 4 of Part II** of this document is derived from an exchange rate of 2.075 Brazilian Reals to 1 Pounds Sterling as quoted on Datastream on 25 May 2010.

## 11. General

- (a) Save as disclosed in this document, no proposal exists in connection with the Proposal that any payment be made or given by Suzano Papel e Celulose or Suzano Bidco to any person as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- (b) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Suzano Papel e Celulose or Suzano Bidco or any person acting in concert with Suzano Papel e Celulose in respect of the Scheme and any of the directors, recent directors, shareholders or recent shareholders of FuturaGene or any person interested or recently interested in FuturaGene Shares, having any connection with or dependence on the Proposal.
- (c) There is no agreement, arrangement or understanding whereby beneficial ownership of any of the FuturaGene Shares to be acquired by Suzano Bidco or Suzano Papel e Celulose pursuant to the Proposal will be transferred to any other persons. Save as disclosed in this document, no such person holds any interests in FuturaGene securities.
- (d) BNP Paribas has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- (e) Evolution Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- (f) Except as disclosed elsewhere in this document, the FuturaGene Directors are not aware of any material change in the financial or trading position of FuturaGene which has occurred since the Accounting Date.

## **12. Documents available for inspection**

Copies of the documents referred to below will be available for inspection at the offices of FuturaGene's solicitors, DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE, during normal business hours on any weekdays (Saturdays, Sundays and public holidays excepted) up to and including the Effective Date (or the date the Scheme lapses or is withdrawn, whichever is the earlier):

- (a) the current memorandum and articles of association of FuturaGene;
- (b) the memorandum and articles of association of FuturaGene, marked to show the changes set out in the Special Resolution;
- (c) the constitutional documents of Suzano Papel e Celulose and Suzano Bidco;
- (d) the published audited consolidated financial statements of FuturaGene for the financial years ended 31 December 2007, 2008 and 2009;
- (e) the service contracts of directors of FuturaGene referred to in paragraph 7 above;
- (f) the letters of consent referred to in paragraph 11 above;
- (g) the material contracts referred to in paragraph 5 above;
- (h) the irrevocable undertakings described in paragraph 6 above; and
- (i) the Announcement, this document and the Forms of Proxy.

28 May 2010

## PART VII

### DEFINITIONS

In this document (with the exception of **Part V** of this document), the following words and expressions have the following meanings, unless the context requires otherwise:

<b>“Accounting Date”</b>	31 December 2009;
<b>“Acquisition”</b>	the proposed acquisition by Suzano Bidco (a wholly owned subsidiary of Suzano Papel e Celulose) of the entire issued and to be issued share capital of FuturaGene by means of the Scheme (or, should Suzano Bidco so elect, by means of an Offer);
<b>“acting in concert”</b>	has the meaning set out in the City Code;
<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules for companies with a class of securities admitted to AIM published by the London Stock Exchange governing admission to and the operation of AIM as in force at the date of this document;
<b>“Alternative Acquisition Proposal”</b>	any proposal (whether or not subject to pre-conditions) put forward by a third party who is not acting in concert (as such term is understood by the Panel) with Suzano Bidco: <ul style="list-style-type: none"><li>(i) for a merger, acquisition or other business combination, scheme of arrangement, exchange offer, liquidation or takeover offer in each case involving a change of control (as such term is understood by the Panel) of FuturaGene; or</li><li>(ii) to acquire in any manner, directly or indirectly (in one transaction or a series of transactions) all or a substantial portion of the assets of the FuturaGene Group;</li></ul>
<b>“Announcement”</b>	the announcement dated 13 May 2010 by Suzano Papel e Celulose of its firm intention to make the Proposal;
<b>“BNP Paribas”</b>	BNP Paribas SA;
<b>“Business Day”</b>	a day, (other than a Saturday or Sunday or public holiday) on which banks are generally open in the City of London for the transaction of normal banking business;
<b>“Capita Registrars” or “Registrars”</b>	a trading name of Capita Registrars Limited;
<b>“CBD Agreement”</b>	the merger agreement dated 23 November 2006 between (1) FuturaGene; (2) FG Merger Corporation; (3) CBD Technologies Inc.; (4) CBD Technologies Ltd.; and (5) Dr. Stanley Hirsch as Stockholders’ Representative, as may have been varied from time to time;
<b>“CBD Merger”</b>	the merger of CBD Technologies Inc. and FuturaGene pursuant to the CBD Agreement;
<b>“CBD Stockholders”</b>	those persons who are defined as “Stockholders” in the CBD Agreement;

<b>“CBD Warrant Holders”</b>	holders of CBD Warrants as at the effective time of the CBD Merger as provided for in the CBD Agreement;
<b>“CBD Warrants”</b>	the warrants or other outstanding rights to purchase shares of CBD Technologies Inc. outstanding as at the date of the CBD Agreement;
<b>“certificated” or “in certificated form”</b>	a share which is not in uncertificated form (that is, not in CREST);
<b>“Closing Price”</b>	the closing middle market quotation of a FuturaGene Share as derived from the AIM Appendix to the Daily Official List;
<b>“Code” or “City Code”</b>	the City Code on Takeovers and Mergers;
<b>“Companies Act 2006”</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced (from time to time);
<b>“Conditional Warrants”</b>	the 3,000,000 conditional warrants to subscribe for FuturaGene Shares at a price per FuturaGene Share of £0.50, as constituted pursuant to the Conditional Warrant Instrument;
<b>“Conditional Warrant Instrument”</b>	the instrument created by FuturaGene on 30 November 2009 pursuant to which the Conditional Warrants were granted;
<b>“Conditions”</b>	the conditions to the Proposal which are set out in <b>Part III</b> of this document;
<b>“Consideration”</b>	the cash consideration of 90 pence per FuturaGene Share due to a Scheme Shareholder in connection with the cancellation of its FuturaGene Shares pursuant to the Scheme;
<b>“Court”</b>	the High Court of Justice of England and Wales;
<b>“Court Hearing”</b>	the Scheme Court Hearing and/or the Reduction Court Hearing, as the case may be;
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders (and any adjournment thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act 2006 to consider and, if thought fit, approve the Scheme (with or without amendment);
<b>“Court Order” or “Court Orders”</b>	the Scheme Court Order and the Reduction Court Order;
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>“CREST Manual”</b>	the manual issued by Euroclear from time to time;
<b>“CTA 2010”</b>	the Corporation Tax Act 2010 in the UK;
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange;
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Enlarged Group”</b>	Suzano Papel e Celulose and its direct and indirect subsidiaries and its subsidiary undertakings following completion of the Proposal;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Evolution Securities”</b>	Evolution Securities Limited;
<b>“Forms of Proxy”</b>	as the context may require, either or both of (i) the blue form of proxy for use at the Court Meeting, and (ii) the white form of proxy

	for use at the General Meeting, each of which accompanies this document;
“FSA”	the Financial Services Authority;
“FuturaGene” or the “Company”	FuturaGene plc, a public limited company incorporated in England and Wales with registered number 04001406;
“FuturaGene Articles”	the articles of association of FuturaGene from time to time;
“FuturaGene Directors” or “FuturaGene Board”	the board of directors of FuturaGene;
“FuturaGene Group”	FuturaGene, its direct and indirect subsidiaries and its subsidiary undertakings from time to time and “ <b>member of the FuturaGene Group</b> ” shall be construed accordingly;
“FuturaGene Optionholder”	a holder of a FuturaGene Share Option;
“FuturaGene Shareholder” or “FuturaGene Shareholders”	a holder or holders of FuturaGene Shares;
“FuturaGene Share Options”	options to acquire FuturaGene Shares granted pursuant to the FuturaGene Share Scheme;
“FuturaGene Shares”	ordinary shares of £0.005 nominal value each in the capital of FuturaGene;
“FuturaGene Share Scheme”	the FuturaGene plc 2007 Stock Option/Stock Issuance Scheme;
“FuturaGene Warrant Holder”	a holder of a Warrant;
“General Meeting”	the general meeting of FuturaGene Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, expected to be held as soon as the preceding Court Meeting has been concluded;
“HMRC”	Her Majesty’s Revenue and Customs;
“holder”	the registered holder including any person entitled by transmission;
“Implementation Agreement”	the implementation agreement between Suzano Papel e Celulose, Suzano Bidco and FuturaGene in relation to the implementation of the Scheme dated 13 May 2010;
“interest”	has the meaning set out in <b>paragraph 2(f)(viii) of Part VII</b> of this document;
“ITA”	the Income Tax Act 2007 in the UK;
“London Stock Exchange”	London Stock Exchange plc;
“Long Stop Date”	31 August 2010;
“Meetings”	the Court Meeting and the General Meeting, each a “ <b>Meeting</b> ”;
“Merger Warrants”	the warrants to purchase FuturaGene Shares issued to CBD Warrant Holders in exchange for their CBD Warrants pursuant to the terms of the CBD Agreement;
“New FuturaGene Shares”	the new FuturaGene Shares to be issued credited as fully paid up to Suzano Bidco pursuant to the Scheme;
“Non Disclosure and Exclusivity Agreement”	the non disclosure and exclusivity agreement between Suzano Papel e Celulose and FuturaGene dated 29 March 2010;

<b>“Offer”</b>	should Suzano Bidco elect to effect the Proposal by way of a takeover offer, the offer to be made by or on behalf of Suzano Bidco for all of the issued and to be issued FuturaGene Shares on the terms and subject to the conditions to be set out in the related offer document and form of acceptance (including, where the context requires, any subsequent revision, variation, extension or renewal thereof);
<b>“Offer Period”</b>	the period commencing on 23 February 2010 and ending on the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn;
<b>“Overseas Shareholders”</b>	FuturaGene Shareholders (or nominees, custodians or trustees for FuturaGene Shareholders) not resident in or citizens of the United Kingdom;
<b>“Panel”</b>	the Panel on Takeovers and Mergers in the United Kingdom;
<b>“Printing Date”</b>	27 May 2010, the latest practicable date prior to posting of this document;
<b>“Proposal”</b>	the proposed acquisition by Suzano Bidco, a wholly-owned subsidiary of Suzano Papel e Celulose, of the entire issued and to be issued share capital of FuturaGene, other than those FuturaGene Shares already owned by the Suzano Group, by means of the Scheme;
<b>“Reduction Court Hearing”</b>	the proposed hearing by the Court of the application to confirm the Reduction of Capital, expected to be at least one Business Day after the day of the Scheme Court Hearing;
<b>“Reduction Court Order”</b>	the Court order under section 648 of the Companies Act 2006 confirming the Reduction of Capital;
<b>“Reduction of Capital”</b>	the reduction of share capital of FuturaGene by cancellation of the Scheme Shares to be effected as part of the Scheme pursuant to section 648 of the Companies Act 2006;
<b>“Reduction Record Time”</b>	6.00 p.m. on the Business Day immediately preceding the Reduction Court Hearing;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales based at Companies House in Cardiff;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“Regulatory Information Service” or “RIS”</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements;
<b>“Resolutions”</b>	the Special Resolution and the Share Authority Resolutions;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Proposal is sent or made available to FuturaGene Shareholders in that jurisdiction;
<b>“Scheme” or “Scheme of Arrangement”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between FuturaGene and the Scheme Shareholders as set out in <b>Part V</b> of this document to effect the Proposal with or subject to any modification, addition or condition

	approved or imposed by the Court and agreed by FuturaGene and Suzano Bidco;
“Scheme Court Hearing”	the hearing by the Court to sanction the Scheme;
“Scheme Court Order”	the Court order under section 899 of the Companies Act 2006 sanctioning the Scheme;
“Scheme Shareholder”	a holder of Scheme Shares;
“Scheme Shares”	the FuturaGene Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this document;</li> <li>(ii) (if any) issued after the date of this document and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued on or after the Voting Record Time and on or prior to the Reduction Record Time, either on terms that the original and any subsequent holder thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> in each case other than any FuturaGene Shares registered in the name of Suzano Papel e Celulose, Suzano Bidco or any other member of the Suzano Group;
“securities”	has the meaning set out in <b>paragraph 2(f)(x) of Part VI</b> of this document;
“Share Authority Resolutions”	(a) the ordinary resolutions to be proposed at the General Meeting as resolutions 1 and 2: <ul style="list-style-type: none"> <li>(i) giving the FuturaGene Directors authority to allot FuturaGene Shares; and</li> <li>(ii) ratifying the grant of the Conditional Warrants; and</li> </ul> (b) the special resolution to be proposed at the General Meeting as resolution 3 disapplying statutory pre-emption rights in respect of the allotment of certain FuturaGene Shares;
“Special Resolution”	the special resolution to be proposed at the General Meeting as resolution 4 approving, <i>inter alia</i> , the Scheme, approving the Reduction of Capital and approving the proposed changes to the FuturaGene Articles;
“Statement of Capital	the statement of capital of the Company prepared in accordance with section 649(2) of the Companies Act 2006 and approved by the Court;
“Suzano Bidco”	Suzano Trading Limited, a private limited company incorporated in the Cayman Islands with registered number 44782;
“Suzano Bidco Directors” or “Suzano Bidco Board”	the board of directors of Suzano Bidco;
“Suzano Group”	Suzano Papel e Celulose, its direct and indirect subsidiaries and its subsidiary undertakings from time to time and “ <b>member of the Suzano Group</b> ” shall be construed accordingly;

<b>“Suzano Papel e Celulose”</b>	Suzano Papel e Celulose S.A., a public limited company incorporated in Brazil with registered number 16404287000155;
<b>“Suzano Papel e Celulose Board”</b> or <b>“Suzano Papel e Celulose Directors”</b>	the board of managing directors of Suzano Papel e Celulose;
<b>“Trustee”</b>	accountant Ya’acov Messing of 90 Hahashmonaim Street, Tel Aviv who holds certain FuturaGene Shares on behalf of certain FuturaGene Shareholders;
<b>“UK”</b> or <b>“United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated”</b> or <b>“in uncertificated form”</b>	a share recorded on the relevant share register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“Unconditional Warrants”</b>	the 3,000,000 unconditional warrants to subscribe for FuturaGene Shares at a price per FuturaGene Share of £0.50, as constituted pursuant to the Unconditional Warrant Instrument;
<b>“Unconditional Warrant Instrument”</b>	the instrument created by FuturaGene on 30 November 2009 pursuant to which the Unconditional Warrants were granted;
<b>“VAT”</b>	value added tax in the UK, including any similar tax which may be imposed in place thereof in the UK from time to time;
<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days before the date of the Court Meeting or if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Court Meeting;
<b>“Warrants”</b>	the Conditional Warrants and the Unconditional Warrants; and
<b>“Warrant Instruments”</b>	the Conditional Warrant Instrument and the Unconditional Warrant Instrument.

In this document:

- (a) the expressions “holding company”, “subsidiary”, “subsidiary undertaking” and “working day” have the meanings given to them in the Companies Act 2006;
- (b) all references to time in this document are to London time;
- (c) all references to legislation in this document are to English legislation unless the contrary is indicated;
- (d) any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof;
- (e) references to “£”, “pounds sterling”, “pence” and “p” are to the lawful currency of the United Kingdom; and
- (f) words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

## PART VIII

### NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT  
REGISTRAR NICHOLLS

No. 4270 of 2010

IN THE MATTER OF FUTURAGENE PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 27 May 2010 made in the above matters, the Court has directed a meeting to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below), for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 proposed to be made between FuturaGene Plc (“**Company**”) and the holders of Scheme Shares, and that such meeting will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 21 June 2010 at 10.30 a.m., at which place and time all holders of the said shares are requested to attend and vote. Voting will be by way of a poll. Defined terms used in this notice, unless otherwise defined, shall have the meaning given to them in the document of which this notice forms part.

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to Part 26 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

**Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies to attend, speak and vote in their stead. A blue form of proxy for use at the meeting is enclosed with this notice.**

**It is requested that forms of proxy be lodged with the Company’s Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours (excluding any part of a day which is not a working day) before the time appointed for the meeting, in other words by 10.30 a.m. on 17 June 2010, (or, as the case may be, not less than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the adjourned meeting) but if the forms are not so lodged they may be handed to Capita Registrars, on behalf of the chairman of the meeting, at the meeting before the taking of the poll.**

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) 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 joint holding.

Entitlement to attend and vote at the said meeting or any adjournment of the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time will be disregarded.

By the said Order, the Court has appointed Mark Alun Pritchard or, failing him, Peter Toynton or, failing him, Gaetan Waucquez to act as chairman of the said meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated 28 May 2010  
DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE  
*Solicitors for the Company*

**Notes:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member of the Company.
2. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
3. A blue form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending, speaking and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
4. To be valid, a blue form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of the Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours (excluding any part of a day which is not a working day) before the time of the meeting (in other words, by 10.30 a.m. on 17 June 2010) or, as the case may be, the adjourned meeting.
5. If you wish to appoint multiple proxies, you may: (a) photocopy a blue form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Capita Registrars at the address above, or alternatively (b) call Capita Registrars on the number in paragraph 21 below who will then issue you with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
6. Subject to the following principles where more than one proxy is appointed, where a blue form of proxy does not state the number of shares to which it applies (a "blank proxy") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the "member's entire holding"). In the event of a conflict between a blank proxy and blue form of proxy which does state the number of shares to which it applies (a "specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
7. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
8. When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
9. If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
10. Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata* (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
11. Where the application of paragraph 10 above gives rise to fractions of shares, such fractions will be rounded down.
12. If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
13. In relation to paragraph 12 above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
14. Entitlement to attend and vote at the meeting or any adjournment of the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the meeting or adjourned meeting (as the case may be). This time has been specified pursuant to regulation 41 of the Uncertificated Securities Regulations 2001. In each case, changes to the register of members of the Company after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
15. Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using 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.
16. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the

information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA10) at least 48 hours prior to the meeting. In the calculation of 48 hours, parts of any day that is not a working day (as defined in the Companies Act 2006) will not be counted. 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 Capita Registrars, are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

17. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
18. 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.
19. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he represents as that corporation could exercise if it were an individual member of the Company.
20. 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 other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
21. If you are in any doubt about completing the blue form of proxy please telephone Capita Registrars Limited on 0871 664 0300 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.
22. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the chairman.

## PART IX

### NOTICE OF GENERAL MEETING

#### FUTURAGENE PLC

*(Registered in England and Wales No. 04001406)*

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 10.40 a.m. on 21 June 2010 (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have concluded for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 and 4 as special resolutions. Defined terms used in this notice, unless otherwise defined, shall have the meaning given to them in the document of which this notice forms part.

#### ORDINARY RESOLUTIONS

1. **THAT**, pursuant to section 551 of the Companies Act 2006 (“**Act**”), the directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £97,304, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the 2011 annual general meeting of the Company or on 21 September 2011 (whichever is the earlier), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

This authority is in substitution for all existing authorities under section 80 of the Companies Act 1985 (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

2. **THAT** the issue of the Conditional Warrants by the FuturaGene Directors be and is hereby ratified.

#### SPECIAL RESOLUTIONS

3. **THAT**, subject to the passing of resolution 1 above and pursuant to section 570 of the Act, the directors of the Company be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (i) to satisfy the allotment of shares to the holders of Warrants on exercise of the Warrants granted to them pursuant to the Warrant Instruments; and
  - (ii) otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £14,743,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the 2011 annual general meeting of the Company or on 21 September 2011 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

4. **THAT:**

- 4.1 for the purpose of giving effect to the Scheme proposed to be made between the Company and holders of Scheme Shares, a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman hereof in its original form or subject to any modification, addition or condition agreed between the Company and Suzano Trading Limited (“**Suzano Bidco**”) and approved or imposed by the Court:
- (a) the Scheme be and is hereby approved and the directors of the Company be and they are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (b) contingent upon the delivery of an office copy of the Order of the Court sanctioning the Scheme to the Registrar of Companies and with effect from the Reduction Record Time, the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares;
  - (c) forthwith and contingent upon the reduction of capital referred to in paragraph (b) above taking effect and notwithstanding any other provision in the articles of association of the Company:
    - (i) the articles of association of the Company shall be amended by deleting the provision which, by virtue of paragraph 42(2) of Schedule 2 to the Companies Act 2006 (Commencement No. 8 Transitional Provisions and Savings) Order 2008, is treated as a provision of the articles of association of the Company setting out the maximum amount of shares that may be allotted by the Company;
    - (ii) article 3.1 of the articles of association of the Company shall be replaced by the following new article 3.1:

**“3.1** The share capital of the Company is divided into ordinary shares of £0.005 each (“**Ordinary Shares**”).”;
    - (iii) pursuant to section 551 of the Act, the directors of the Company be and are generally and unconditionally authorised to allot such number of ordinary shares of £0.005 each (the “**New FuturaGene Shares**”) as shall have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to paragraph (b) above and which shall have the same rights attaching thereto as were attached to such Shares, provided that (1) the maximum aggregate nominal amount of New FuturaGene Shares which may be allotted under this authority shall be the aggregate nominal amount of the New FuturaGene Shares; (2) this authority shall expire on the fifth anniversary of this resolution, and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 or section 80 of the Companies Act 1985 previously granted and in force on the date on which this resolution is passed; and
    - (iv) the reserve arising in the books of the Company as a result of the reduction of capital referred to in paragraph (b) above be applied in paying up in full at par the New FuturaGene Shares so created which shall be allotted and issued (free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other interests of any nature whatsoever and with all rights attaching thereto), credited as fully paid, to Suzano Bidco and/or its nominee(s) in accordance with the Scheme; and
- 4.2 with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new Article 3A after Article 3 (and amending the remainder of the Articles and any cross references thereto accordingly):

### “3A SCHEME OF ARRANGEMENT

- 3A.1 In this Article 3A, references to the “**Scheme**” are to the scheme of arrangement dated 28 May 2010, between the Company and the holders of Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Suzano Bidco and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.
- 3A.2 Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares on or after the Voting Record Time and on or prior to the Reduction Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holders of such shares shall be bound by the Scheme accordingly.
- 3A.3 Notwithstanding any other provision of these Articles, if at any time after the Reduction Record Time any Ordinary Shares (“**New Shares**”) are issued to any person (a “**New Member**”) (other than Suzano Bidco or its nominee(s)) such New Shares shall be transferred immediately free of all encumbrances to Suzano Bidco (or as it may direct by notice in writing to the Company) who shall be obliged to acquire all New Shares in consideration for, and conditionally upon, the payment to such New Member (as soon as practicable after the Effective Date) of the sum of 90 pence in cash per New Share.
- 3A.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date, the value of the consideration per New Share to be paid under Article 3A.3 above shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to such shares shall, following such adjustment, be construed accordingly.
- 3A.5 To give effect to any transfer required by paragraph 3A.3 above, the Company may appoint any person as attorney for the New Member to transfer the New Shares to Suzano Bidco and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the New Shares in Suzano Bidco or its nominee(s) and pending such vesting to exercise all such rights attaching to the New Shares as Suzano Bidco may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Suzano Bidco) be entitled to exercise any rights attaching to the New Shares unless so agreed by Suzano Bidco. The attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of Suzano Bidco and the Company may give a good receipt for the purchase price of the New Shares and may register Suzano Bidco as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the New Shares. Suzano Bidco shall or shall procure that a cheque in favour of the New Member (or any subsequent holder) for the purchase price of such New Shares is sent within 14 Business Days of the date on which the New Shares are issued or transferred to the New Member.
- 3A.6 If the Scheme has not become effective by the time referred to in clause 5 of the Scheme, this Article 3A shall be of no effect.
- 3A.7 Notwithstanding any other provision of these Articles, both the Company and the directors shall refuse to register the transfer of any New Shares after the Reduction Record Time save in accordance with this Article 3A.”

By order of the Board  
**Peter Toynton**  
Company Secretary

*Registered office:*  
Ten Dominion Street  
London  
EC2M 2EE

Dated 28 May 2010

**Notes:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member of the Company.
2. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
3. A white form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
4. To be valid, a white form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of the Registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham BR3 4TU, not less than 48 hours (excluding any part of a day which is not a working day) before the time of the meeting (in other words, by 10.40 a.m. on 17 June 2010) or, as the case may be, the adjourned meeting.
5. If you wish to appoint multiple proxies, you may: (a) photocopy a white form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Capita Registrars at the address above, or alternatively (b) call Capita Registrars on the number in paragraph 22 below who will then issue you with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
6. Subject to the following principles where more than one proxy is appointed, where a white form of proxy does not state the number of shares to which it applies (a "blank proxy") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the "member's entire holding"). In the event of a conflict between a blank proxy and white form of proxy which does state the number of shares to which it applies (a "specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
7. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
8. When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
9. If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
10. Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata* (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
11. Where the application of paragraph 10 above gives rise to fractions of shares, such fractions will be rounded down.
12. If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
13. In relation to paragraph 12 above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
14. Entitlement to attend and vote at the meeting or any adjournment of the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the meeting or adjourned meeting (as the case may be). This time has been specified pursuant to regulation 41 of the Uncertificated Securities Regulations 2001. In each case, changes to the register of members of the Company after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

15. Copies of the Company's existing Articles of Association as proposed to be amended by the Special Resolution set out in the notice of the meeting are available for inspection at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE during normal business hours on any weekday (excluding Saturdays, Sundays and bank holidays), until the opening of business on the day on which the meeting is held and will also be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
16. Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using 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.
17. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA10) at least 48 hours prior to the meeting. In the calculation of 48 hours, parts of any day that is not a working day (as defined in the Companies Act 2006) will not be counted. 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 Capita Registrars, are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
18. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
19. 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.
20. A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
21. 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 other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
22. If you are in any doubt about completing the white form of proxy please telephone Capita Registrars Limited on 0871 664 0300 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0300 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.
23. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the chairman.