

iBUS plc

Loan Note Offer

**Information
Memorandum**

July 2008

CONFIDENTIALITY

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Neither the Company nor any of its employees or agents make any representations or warranties nor does it accept any responsibility as to the accuracy or the completeness of any of the information contained herein, save to the extent that the promoter is fully guaranteeing the return of all subscription monies in the event that the target figures as set out herein are not met.

**YOUR ATTENTION IS DRAWN TO THE SECTION HEADED "RISK FACTORS"
INCLUDED IN THIS MEMORANDUM**

The information contained herein will not constitute or form any part of any offer for shares in the Company, nor will any such information form the basis of any contract in respect thereof. Subscribers must rely on the terms and conditions contained in such contract, subject to such limitations and restrictions as may be specified herein. Each recipient of this Memorandum must perform their own verification in order to satisfy themselves as to the accuracy and completeness of the information contained herein and is not entitled to rely on any information contained herein for the purposes of entering into any contract or agreement with the Company.

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This Memorandum has not been filed, registered or approved in any jurisdiction. It does not constitute a public offer nor is it an invitation to subscribe for or to purchase any shares, debentures or securities of the Company for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 or the Prospectus (Directive 2003/71/EC) Regulations 2005 or otherwise. This Memorandum is not a prospectus within the meaning of, or for the purposes of, the aforesaid legislation. This Memorandum does not constitute an offer or a solicitation in any jurisdiction in which such offer or solicitation is not permitted under applicable law.

Any liability of the Company, or of its representatives, which is based upon the information or opinions contained in this Memorandum or any other document or information which may be furnished, or on any omissions therefrom, is hereby expressly disclaimed.

The advisors referred to herein are acting as advisors to the Company and will not be held accountable or responsible to anyone, other than the Company, in relation to any matter referred to in this Memorandum.

The procedure for application and an Application Form is enclosed with this Memorandum.

Each subscriber is advised to obtain appropriate advice on all legal aspects referred to in this documentation and to make their own commercial assessment on this investment.

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1. EXECUTIVE SUMMARY

1.1 Executive Summary

iBus plc is a newly formed public company established to promote and protect the interests of Irish bus and coach operators. iBus plc will seek to procure large public service transport contracts and the 'intellectual property' required to operate and franchise transport projects for and on behalf of its shareholder members.

iBus plc intends to raise a minimum of €750,000 in funding by means of the issue of convertible Loan Notes.

The funds so raised will be used to put in place those management structures required to position iBus plc to take advantage of and to exploit large transport projects, route and licensing opportunities and public service transport contracts both here and within the European Union.

iBus plc will seek to take advantage of the synergies that accrue to a large transport company; for instance in the areas of Purchasing, Branding, Franchising, Advertising, Training and Standards, Cross Member Supports to meet Regulatory and Legal requirements, Bio-Fuel and future transport models.

iBus plc is being launched following extensive consultation, private meetings and discussions with individual bus and coach operators nationally. The concept of ownership and the legal entitlement attaching to iBus plc through a shareholding is a major determinant.

This document sets out the basis for subscription to iBus plc. This document carries with it the absolute guarantee that, in the event that target numbers and participation are not forthcoming, all subscription monies will be returned in full.

John Dunne, the promoter, will use his extensive knowledge and business association with private bus and coach owners to develop and promote the concept of iBus plc.

1.2 Definitions

“the Company”	iBus public limited company (aka iBus plc)
“the Offer”	The offer to subscribe for Loan Notes in the Company.
“Loan Note”	A Loan Note represents a loan made by the subscriber to iBus plc.
“the Subscriber”	A person or a body corporate whose application to participate in the Offer and is accepted by the Company in whole or in part.
“Minimum Subscription”	One Loan Note at a cost of €1,500.
“Conversion”	Conversion represents the conversion of each Loan Note into ‘paid-up’ Ordinary Shares in the Company.
“Memorandum”	This Offer Memorandum dated July 2008.

2. BACKGROUND

2.1 Background Details

The passenger transport model in Ireland is based upon the Transport Act of 1932 which is overseen by the Department of Transport. This has resulted in the vast majority of routes and public service transport contracts being operated by two State companies (viz. Bus Eireann and Dublin Bus) with only minimal involvement by private bus and coach operators.

For over forty years the 'School Transport System' contract has been awarded to just one company, Bus Eireann, without a tendering process. The way in which this particular contract is presently awarded will undoubtedly be challenged by large operating bus and coach companies both foreign and national; one such company has publicly stated its intention to tender for the School Transport System contract.

It is clear that after years of lobbying and representations, reports and submissions on behalf of the Irish private bus and coach hire operator seeking inclusion and ownership of Ireland's transport infrastructure, that these did not work. A new approach needs to be adopted in order to challenge the monopoly position which currently exists. There is an urgent need to position a company which will be capable of tendering for major government transport contracts on behalf of individual bus and coach operators in Ireland.

The government will be forced to put the School Transport System contract out to a competitive tendering process as pressure mounts from both multinational and national transport companies. A new Irish owned company is needed to compete for this contract if we are to retain this asset in Ireland.

It is hoped to secure for Irish bus and coach operators the 'intellectual' property required to operate and manage large transport contracts such as the School Transport System contract and to further take advantage of the inevitable changes that will come about in the Irish transport industry.

3. COMPANY INFORMATION

3.1 Directors and Other Information Details

Directors	John Dunne Patrick Solon Anita Dunne Carlos Dunne Colm Devitt William Igoe Philip Kenny Joan Nordlokken
Company Secretary	Patrick Solon
Bankers	Allied Irish Banks plc, Naas, Co. Kildare.
Financial Advisors	D.F. Byrne & Associates, Chartered Accountants, Barclay House, Pembroke Place, Dublin 2.
Legal Advisors	Crowley Millar, Solicitors, 15 Lower Mount Street, Dublin 2.
Registered Office	Parliament House, Embassy Office Park, Kill, Co. Kildare
Incorporation	Incorporated in the Republic of Ireland 29 th May 2008 Certificate Number 458014
Company Status	Public Limited Company

4. IBUS PLC – THE COMPANY

4.1 The Company

iBus plc has been formed with the intention of securing large public sector transport contracts such as the School Transport System contract. iBus plc will also seek to take advantage of the inevitable changes that will come about in the Irish transport industry and to provide resources and expertise for route licencing and operations for and on behalf of its shareholder bus and coach operators.

4.2 The Company will

- act in the interests of its members by promoting and supporting them in their transport activities;
- appoint a chief executive;
- challenge the existing transport monopoly in Ireland in the interests of its shareholder operators;
- engage the expertise and resources required to take full advantage of any and all transport opportunities both in Ireland and within the European Union for and on behalf of its shareholder members.

4.3 The Board of Directors

The Company will seek to secure adequate Board representation from those shareholders engaged in the private bus and coach transport industry. Those appointed will serve as Executive Directors in accordance with the Company's Memorandum and Articles of Association.

In addition the Company will seek to appoint high ranking individuals at non executive director level to compliment this Board.

5. LOAN NOTES

5.1 LOAN NOTES

A Loan Note represents a loan to the Company which remains fully refundable until the targets as set out herein are met. The minimum number of Loan Notes required is 500.

Each Loan Note issued under the first tranch will be for a minimum subscription amount of €1,500. Each Loan Note will on conversion entitle the holder to 300 Ordinary Shares in iBus plc.

It is essential that subscriber participation in iBus plc remains classified; therefore details regarding subscribers will be kept confidential. In order to protect the identity of subscribers iBus plc is issuing Loan Notes. The Company will maintain a Register of Loan Note holders and will be precluded from disclosing the identity and or details regarding Loan Note holders to any body or organisation.

The Promoter would again like to reassure Loan Note subscribers that all subscription monies received for Loan Notes remain fully refundable until the targets as set out herein are met. The Promoter has given a guarantee to this effect.

5.2 CONVERSION OF LOAN NOTES INTO ORDINARY SHARES

The Board of Directors will determine when Loan Notes are to be converted into Ordinary Shares. Loan Notes will only convert into Shares when the Board is satisfied that the interests of those participating bus and coach operators in iBus plc are protected and disclosure of their names will not disadvantage them commercially.

When the Loan Notes are converted, subscribers will be issued with Ordinary Shares in iBus plc. Those Loan Note holders who subscribe under the first tranch will on conversion each receive 300 Ordinary Shares in iBus plc. The price and the number of Ordinary Shares to be issued to Loan Note holders subscribing under the second and subsequent tranches will be determined at that time by the Directors in conjunction with their advisors.

As indicated above when the Loan Notes are replaced with Ordinary Shares the subscription monies are no longer refundable.

Ordinary Shares represent an 'equity investment' in iBus plc and, as with any equity investment, they may reduce in value as well as increase in value. Investors should be made aware that the market for trading in Ordinary Shares in iBus plc is limited. Whilst the Shares are fully "tradable" it should be recognised that there may not be a ready market for those Shares. The Company cannot give any assurance that investors will realise or obtain value for the Shares they hold in iBus plc.

6 THE FINANCIALS

6.1 Three Year Operating Profit and Loss Account

	Year 1 Euro	Year 2 Euro	Year 3 Euro
Income	750,000	206,250	325,000
Operating Expenses	(290,000)	(390,000)	(600,000)
Surplus / (Deficit)	460,000	(183,750)	(275,000)
Opening	-	460,000	276,250
Closing	460,000	276,250	1,250

6.2 Income Projections

Income represents monies derived from the issue of Loan Notes and is projected as to:

	€	
Year 1 (first traunch)	750,000	€1,500 x 500 subscribers
Year 2 (second traunch)	206,250	€2,750 x 75 subscribers
Year 3 (third traunch)	325,000	€3,250 x 100 subscribers

The price for each Loan Note issued under the first traunch is €1,500; the price for Loan Notes issued under the second traunch is €2,750; increasing to €3,250 per each Loan Note for the third traunch.

The pricing is deliberately structured to encourage members to invest in the Company within the initial timeframe outlined in this document by availing of a discounted price for the Loan Notes.

6.3 Set-up Costs

All set-up Costs (which are projected in excess of €220,000) are being funded by the Promoter. These Costs will not be funded out of monies received from the Loan Note subscribers.

6.4 Projected Operating Expenses

Projected Operating Expenses for the first three years include:

	Year 1	Year 2	Year 3
	€	€	€
CEO Salary	125,000	140,000	160,000
Rent, Rates and Office Costs	50,000	50,000	55,000
Advertising and Promotion	45,000	80,000	200,000
Secretarial and Support Services	50,000	50,000	65,000
Professional Fees	<u>20,000</u>	<u>70,000</u>	<u>120,000</u>
	<u>290,000</u>	<u>390,000</u>	<u>600,000</u>

7 RISK FACTORS

Your attention is drawn to the risk factors associated with this investment as set out below and you are urged to consider and to reflect upon these carefully.

7.1 Risk Factors

- Each intending subscriber considering an investment in the Company is advised to consult their own professional advisors.
- The future results of iBus plc will depend upon its ability to recruit and to retain quality professional staff enabling it to achieve its objectives.
- In the event that the Directors shall be of the opinion that it would not be prudent to proceed, all amounts paid into the Company by way of Loan Note subscription monies shall be returned, as soon as practicable, by registered post to the applicant at his address and at his own risk. No interest will be paid on applicants' Loan Note subscription monies.

7.2 Financial and Principle Assumptions

The illustrative figures included in this document have been prepared on the basis of the following assumptions:

- That funds secured under the Loan Note Offer will be used principally to provide working capital to meet the Company's operating costs and to undertake whatever investment(s) the Company sees fit.
- That the Company may seek to raise additional investment monies at some future date and in such form as it may decide in order to achieve its objectives.

8. THE OFFER

8.1 Summary

The Offer	The Company, under the terms of this Offer Memorandum, seeks to raise a minimum of €750,000 by way of issue of Loan Notes at a price of €1,500 each.
Minimum Subscription	Under the first tranch, as defined herein, the minimum subscription for one Loan Note is €1,500.
Risk Factors	Intending subscribers should recognise that every investment involves a degree of risk. Those considering an investment in the Company are advised to consult their own professional advisors.
Conversion	The Company has put in place appropriate arrangements whereby, provided it secures the necessary level of support and following approval by the Board of Directors, the Loan Notes will convert into Ordinary Shares in iBus plc. Under the first tranch, the number of Ordinary Shares to be issued to subscribers on conversion of Loan Notes will be 300 Shares per each Loan Note.

8.2 Share Capital Structure

Authorised Share Capital
10,000,000 Ordinary Shares of €1 each

Issued Share Capital
50,000 Ordinary Shares of €1 each all of which have been issued to the Promoter.

9. PROCEDURE FOR AND CONDITIONS OF APPLICATION

All applications for Loan Notes in the Company must be made on the Application Form provided with this Memorandum and must be made for the minimum subscription amount outlined herein and within the designated timeframe.

The Directors reserve the right to receive application for lesser amounts if they consider it to be in the interest of the Company so to do. The Directors also reserve the right to accept or reject any application.

Applications together with payment must be received by 30th November 2008 or such later date as the Directors may determine.

The Application Form, duly completed and signed, together with a signed cheque or Banker's Draft made payable to – "*iBus plc Loan Note Account*" crossed "non-negotiable" should be submitted to the Company's registered office.

Whilst there is no minimum size to the Offer referred to in this document, the Directors reserve the right at their absolute discretion not to proceed with, or to scale back, the Offer. In such event, monies received from subscribers will be returned to each subscriber whose application has not been accepted by the Company. Return will be by registered post to the relevant subscriber at the address entered on the Application Form and at their own risk. Subscribers whose application is refused by the Company will have no claim of any kind against the Directors, the Company, their agents or their advisors.

10. APPLICATION FORM – NO.

iBus plc

Offer of up to 500 Loan Notes at a price of €1,500 per Loan Note in iBus plc payable in full on application. The minimum number of Loan Notes which can be applied for is One.

1. I / We, _____ wish to apply for

ONE TWO THREE OR MORE *Tick as Appropriate*

Loan Notes at €1,500 each.

2. I / We enclose my / our cheque / Bank Draft in the amount of € _____
made payable to "iBus plc Loan Note Account"

3. I / We have read and agree to be bound by the terms and conditions as outlined in this Offer Memorandum and I / We confirm that:

- I / We have sought independent advice
 I / We have decided not to seek independent advice
(please ensure to tick one box only)

PLEASE PRINT IN BLOCK CAPITALS

NAME: Mr. / Ms. / Mrs. _____

ADDRESS: _____

PHONE NO: (H) _____
(O) _____

MOBILE NO: _____

FAX: _____

SIGNATURE: _____

EMAIL ADDRESS: _____

In the case of a company or body corporate the Application must be signed by a Director and by the Company Secretary.

DIRECTOR

COMPANY SECRETARY

Carefully detach this Application Form and send together with cheque / Banker's Draft made payable to "iBus Loan Note Account" to the Company's registered office at Parliament House, Embassy Office Park, Kill, Co. Kildare.

This Application Form may only be used by those to whom it is issued. Photocopies will not be accepted.