

IMPORTANT MESSAGE TO ALL CUSTOMERS

**Surridge Dawson Limited and Solent SD Limited (both In Administration)
(together “the Companies”)**

(Trading as “DAWSON NEWS”)

3 August 2009

Reference: RHK/PB/DAWSON/27-IND

Dear Customer

On 3 August 2009, A R Bloom and C G J King and I were appointed as Joint Administrators to the Companies trading as Dawson News. The appointments were made by the Companies' Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

Sale of business

I am pleased to confirm that with effect from 00:01am on Sunday 2 August 2009, agreements have been completed with Smiths News Trading Limited (“Smiths”) and Menzies Distribution Limited (“Menzies”) for them to acquire the Companies' newspaper and magazine distribution businesses.

Ongoing supply

These agreements will ensure that you continue to be supplied with newspapers and magazines in the normal way. This ongoing supply will now be provided by either Smiths, or Menzies, depending on your location from 2nd August. Your new wholesaler will be writing to you separately with regards to the specific details of your ongoing deliveries.

Returns, vouchers and invoices

As part of the transaction, all returns and vouchers will be honoured by the Companies and you should continue to make payments for supplies received up to and including Saturday 1st August 2009 in the normal way. Payment for supplies made after this date should be made to Smiths or Menzies as appropriate.

I have attached a Q&A in order for you to better understand how these changes impact your business. **Please ensure that you have read this Q&A as these changes will have an impact with immediate effect.**

In you have any further questions, please contact your local wholesale branch in the first instance. If you have any unresolved queries with regards to the Administration process please contact Ben Stanyon or Luke Hoare on 0208 774 3000.

Yours faithfully
for the Companies



R H Kelly
Joint Administrator

*The Institute of Chartered Accountants of Scotland authorises R H Kelly to act as an Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986, the Institute of Chartered Accountants in England and Wales authorises A R Bloom and C G J King to act as an Insolvency Practitioners under section 390(2)(a) of the Insolvency Act 1986.
The affairs, business and property of the Companies are being managed by the Joint Administrators, R H Kelly, C G J King and A R Bloom, who act as agents of the Companies only and without personal liability.*

Questions and Answers

Please ensure that you have read this document as it immediately affects your business

Will I still receive my daily deliveries of newspapers and magazines?

Yes, deliveries to you will continue as normal. However, rather than being delivered by Dawson News, they will be delivered by either Smiths or Menzies. We are working closely with Smiths and Menzies to ensure a smooth transition.

Will there be any changes to my existing contracts and terms of trade?

Smiths and Menzies will contact you separately with regards to any changes to your existing contract and terms of trade.

Who do I make payments to?

For all supplies on your account up to and including 1st August 2009: Please ensure that these are paid to Dawson News in the normal way. For any account queries please speak to your normal contact at the relevant former Dawson News depot or head office in Croydon.

For all deliveries provided to you from 2nd August 2009 onwards: Services provided from 2nd August will be invoiced separately by Smiths and Menzies. They will be in contact shortly to advise you of payment instructions going forward.

What will happen to my returns and vouchers?

All valid returns will continue to be processed as normal, provided there is no delay by you in making payment of your debt to Dawson News.

In the first instance, credits for ongoing returns will be set off against any outstanding debt. If the value of your outstanding returns is greater than the value of your outstanding debt, the credit ultimately owing to you will be refunded by way of cheque or through your existing banking arrangements with Dawson News.

Smiths or Menzies will write to you separately to outline how returns on or after 2nd August 2009 will be managed.

What will happen to my vouchers?

From 2nd August 2009, please send vouchers to Smiths and Menzies who will credit them to your account with them.

Can I still accept vouchers?

All customers will be able to continue using vouchers as normal.

Which depot has gone to which distributor?

I attach a schedule showing which depot has gone to which successor company.

APPENDIX: Schedule of transferred depots

DAWSON NEWS DEPOT	INCOMING WHOLESALER
Aberystwyth	Smiths
Altham	Menzies
Barnstaple	Smiths
Bournemouth	Smiths
Brislington	Smiths
Bristol	Smiths
Canterbury	Menzies
Coventry	Smiths
Eastbourne	Menzies
Exeter	Smiths
Harlow	Smiths
Heywood	Smiths (Newspapers); Menzies (Magazines)
Lancing	Smiths
Lincoln	Smiths
London East News	Menzies
London Premier Park	Smiths
London City News	Smiths
Luton	Smiths
Mansfield	Smiths
Preston	Menzies
Rochester	Menzies
Salisbury	Smiths
Shrewsbury	Smiths
Southampton	Smiths
Swindon	Smiths
Taunton	Smiths
Tonbridge	Menzies
Warrington	Smiths (Newspapers); Menzies (Magazines)
Yeovil	Smiths