

26 January 2009

The Chairman of the Cabinet Scrutiny Committee
Kent County Council
Sessions House
County Hall
MAIDSTONE
ME14 1XQ

Dear Dr Eddy

Questions to Butlers

I am sorry we have not been able to respond sooner to the questions that were e-mailed to me on Friday, 16 January 2009. By way of explanation, I was not in the office on that day and was not in a position to read my e-mails until the Saturday. You will be aware that on the Monday the Independent published an article which we considered to be defamatory. I am pleased to inform you that the Independent published a retraction and apology in relation to the article in Saturday's paper.

In addition, market volatility last week has offered up opportunities for our clients and it was paramount that these were discussed with our 145 clients. Indeed, we have been working with the Officers of the Council over the last few days and I am pleased to report that a major debt restructuring exercise has been undertaken which will save the Council £2.8m in debt charges over the next 12 months.

I attach our responses to the questions which I trust you will find satisfactory. I have also provided an organogram of our group structure, as mentioned, together with a schedule showing the training days to which Officers at Kent have been invited since 2006.

I can assure you that we take our responsibilities very seriously and we have enjoyed a good working relationship with the Council since 2003 when we were first appointed. We believe it has been a successful relationship which, working together, has resulted in total savings of approximately £31m being effected during this time.

Butlers

2 Broadgate, London EC2M 7UR Telephone: 020 7000 5900 Fax: 020 7000 5912

www.butlerasset.com

A Division of Icap Securities Limited Authorised and regulated by the Financial Services Authority Member of the London Stock Exchange Registered Office as above Registered in England & Wales 500777



It is unfortunate that the unprecedented turmoil in the financial markets has resulted in the collapse of the Icelandic banks and we will do all we can to work with you during this difficult period.

Yours sincerely

A handwritten signature in blue ink that reads "I. J. Silvester".

Irene Silvester
On behalf of Butlers

Butlers

2 Broadgate, London EC2M 7UR Telephone: 020 7000 5900 Fax: 020 7000 5912

www.butlerasset.com

A Division of Icap Securities Limited Authorised and regulated by the Financial Services Authority Member of the London Stock Exchange Registered Office as above Registered in England & Wales 500777