

IMPORTANT DISCLAIMER

12 February 2009

RECOMMENDED CASH OFFER (THE “OFFER”) FOR EIDOS PLC BY SQEX LTD. TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER THE UK COMPANIES ACT 2006 (THE “SCHEME”)

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This announcement is not for release, publication or distribution in whole or part in or into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

UBS Investment Bank, which is authorised and regulated by the Financial Services Authority, is acting exclusively for SQEX LTD. (“**SQEX**”) and SQUARE ENIX HOLDINGS (“**Holdings**”) and no one else in connection with the Offer and this announcement, and will not be responsible to anyone other than SQEX and Holdings for providing the protections afforded to clients of UBS Investment Bank, or for providing advice in connection with the Offer or any matter referred to herein.

Citi, which is authorised and regulated by the Financial Services Authority, is acting exclusively for Eidos plc (“**Eidos**”) and no one else in connection with the Offer and will not be responsible to anyone other than Eidos for providing the protections afforded to clients of Citi or for providing advice in connection with the Offer or any matter referred to herein.

This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

This announcement is for information purposes only and does not constitute an offer to sell or invitation to purchase any securities or the solicitation of any vote for approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. Any response in relation to the Offer should be made only on the basis of the information contained in the scheme document or any document by which the Offer is made. This announcement does not constitute a prospectus or prospectus equivalent document.

The Offer relates to the shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules. However, if SQEX were to elect to implement the Offer by means of an offer, such offer will be made in compliance with all applicable laws and regulations, including the US tender offer rules, to the extent applicable.

If the Offer is carried out by way of a takeover offer, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded (including, without limitation, by telex, facsimile transmission, telephone, internet or other forms of electronic communication), distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to Eidos Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

For the purposes of the above paragraphs “**Restricted Jurisdiction**” means any jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction.

Eidos will prepare the scheme document to be distributed to its shareholders. Eidos and SQEX urge the shareholders of Eidos to read the scheme document when it becomes available because it will contain important information relating to the Offer.

No listing authority or equivalent has reviewed, approved or disapproved of this announcement or any of the proposals described herein.

Forward Looking Statements

This announcement contains statements about SQEX, Holdings and Eidos that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans” “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or, words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of SQEX’s or Eidos’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on SQEX’s, Holdings’s or Eidos’s business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. SQEX, Holdings and Eidos disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

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12 February 2009

RECOMMENDED CASH OFFER
for
Eidos plc (“Eidos”)
by
SQEX Ltd
(“SQEX”)
to be effected
by means of a scheme of arrangement
under the Companies Act 2006

Summary

- The SQEX Directors and the Eidos Directors are pleased to announce that they have reached agreement on the terms of a recommended Offer under which SQEX, a wholly-owned subsidiary of Square Enix, will acquire the entire issued and to be issued ordinary share capital of Eidos. The Offer is to be effected by means of a scheme of arrangement under the Companies Act 2006.
- Under the terms of the Offer, Eidos Shareholders will be entitled to receive 32 pence in cash for each Eidos Share held.
- The Offer values the entire existing issued share capital of Eidos at approximately £84.3 million.
- The Offer represents:
 - a premium of approximately 258 per cent. to the closing mid-market price of Eidos Shares on the London Stock Exchange of 9 pence per Eidos Share on 14 January 2009 (being the last Business Day prior to Eidos’ announcement that it had received an approach that might or might not lead to an offer);
 - a premium of approximately 129 per cent. to the closing mid-market price of Eidos Shares on the London Stock Exchange of 14 pence per Eidos Share on 11 February 2009 (being the last practicable day prior to the date of this announcement);
 - a premium of approximately 150 per cent. to 13 pence, being the average closing mid-market price per Eidos Share over the one month to 11 February 2009; and
 - a premium of approximately 91 per cent. to 17 pence, being the average closing mid-market price per Eidos Share over the three months to 11 February 2009.
- Square Enix believes that the acquisition of Eidos represents a highly attractive opportunity for the Square Enix Group to create further value for the Square Enix Group’s shareholders.

- Eidos is the creator of some of the world's leading videogame properties with a significant portfolio of intellectual property including: *Tomb Raider*, *Hitman*, *Deus Ex*, *Thief*, *Kane & Lynch*, *Just Cause* and *Championship Manager*.
- Eidos operates a studio-led business with a clear focus on cornerstone franchises. It is a global business with a head office in Wimbledon, London and several wholly-owned development studios including Crystal Dynamics, IO Interactive, Beautiful Game Studios, Eidos Hungary, Eidos Game Studios and Eidos Montreal as well as sales and distribution offices in Europe and the US.
- The combination of Eidos' franchises with the Square Enix Group's product offering and intellectual property will reinforce the Square Enix Group's position as one of the world's leaders in interactive entertainment with a broad portfolio of market leading franchises.
- It is expected that the Scheme Document containing further details of the Offer will be posted in early March 2009. The Scheme will be subject, *inter alia*, to the satisfaction or waiver of the Conditions set out in Appendix I to this announcement.
- The Offer will be put to Eidos Shareholders at the Court Meeting and at the Extraordinary General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the holders of Eidos Shares present and voting, either in person or by proxy, representing at least 75 per cent. in value of the Eidos Shares held by such Eidos Shareholders. In addition, a special resolution implementing the Scheme and approving the related Capital Reduction must be passed by Eidos Shareholders representing 75 per cent. of the votes cast at the Extraordinary General Meeting. The special resolution will also approve amendments to the articles of association of Eidos and, if necessary, to certain Eidos Share Schemes.
- The Eidos Directors, who have been so advised by Citi, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Eidos Directors, Citi has taken into account the commercial assessments of the Eidos Directors.
- The Eidos Directors intend unanimously to recommend that Eidos Shareholders vote in favour of the Scheme and the resolutions to be passed at the Court Meeting and the Extraordinary General Meeting as those of them who are Shareholders have irrevocably undertaken to do in respect of their own beneficial holdings of 204,153 Eidos Shares in aggregate representing approximately 0.08 per cent. of the existing issued share capital of Eidos.
- Insight Investment Management and Cazenove Capital Management Ltd. have irrevocably undertaken to vote in favour of the Scheme and the resolutions to be passed at the Court Meeting and the Extraordinary General Meeting in respect of their aggregate holdings of 34,225,256 Eidos Shares representing approximately 13 per cent. of the existing issued share capital of Eidos.
- Warner Bros Entertainment Inc. is contractually obliged under a Subscription Agreement with Eidos to provide an irrevocable undertaking in respect of 52,518,080 Eidos Shares representing approximately 20 per cent. of the existing issued share capital of Eidos.
- It is expected that the Court Meeting and the Extraordinary General Meeting will be held in March 2009 and that the Scheme will become effective before the end of April 2009.

Commenting on the Offer, Yoichi Wada, President and Representative Director of Square Enix, said:

“Eidos is a talented developer and publisher of interactive entertainment products with a broad portfolio of highly successful mass market franchises, led by Tomb Raider, one of the most successful videogame franchises of all time. Eidos maintains a strong reputation for high quality development and proven expertise in creating characters and storylines that appeal to consumers. Eidos’ products are highly complementary to our business and will accelerate our aggressive expansion into Western markets. We believe that wide range of both companies’ quality products encompassing major genres will enable us to meet diversified customers’ expectations upon a global basis.”

Commenting on the Offer, Tim Ryan, Chairman of Eidos, said:

“We believe that this cash offer provides Eidos Shareholders with an attractive price and certainty in today’s challenging market backdrop and economic outlook.

The acquisition of Eidos will complement Square Enix’s expansion into Western markets and offers mutually beneficial opportunities for the combined group. The Board believes that this offer is in the best interests of the shareholders.”

Commenting on the Offer, Phil Rogers, Chief Executive Officer of Eidos, said:

“Eidos has a strong portfolio of established franchises, with highly talented employees. Square Enix recognises this and sees Eidos as both complementary to their business as well as a valuable brand within videogames.

We are one year into our new strategy and believe that the prospects for the further development of our strategy and the business as a part of Square Enix would offer an exciting opportunity for the Eidos Group.”

UBS Investment Bank is acting as financial adviser to SQEX and Square Enix. Citi is acting as financial adviser to Eidos.

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facsimile transmission, telephone, internet or other forms of electronic communication), distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to Eidos Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Eidos will prepare the Scheme Document to be distributed to Eidos Shareholders. Eidos and SQEX urge Eidos Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Offer.

No listing authority or equivalent has reviewed, approved or disapproved of this announcement or any of the proposals described herein.

Forward Looking Statements

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Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. SQEX, Square Enix and Eidos disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Eidos, all “dealings” in any “relevant securities” of Eidos (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Eidos, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Eidos by SQEX or Eidos, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel’s website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (0) 20 7638 0129; fax +44 (0) 20 7236 7013.

This summary should be read in conjunction with the full text of the rest of this announcement, including its Appendices. Appendix I contains the Conditions to, and certain further terms of, the Offer. Appendix II contains further details of the sources of information and bases of calculations set out in this announcement, Appendix III contains further details of the Irrevocable Undertakings and Appendix IV contains definitions of certain expressions used in this announcement.

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12 February 2009

RECOMMENDED CASH OFFER

for

Eidos plc (“Eidos”)

by

SQEX Ltd

(“SQEX”)

to be effected

**by means of a scheme of arrangement
under the Companies Act 2006**

1 Introduction

The SQEX Directors and the Eidos Directors are pleased to announce that they have reached agreement on the terms of a recommended Offer under which SQEX, a wholly-owned subsidiary of Square Enix, will acquire the entire issued and to be issued share capital of Eidos. The Offer is to be effected by means of a scheme of arrangement under the Companies Act 2006.

2 The Offer

Under the Scheme, which will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, Eidos Shareholders will be entitled to receive:

for each Eidos Share

32 pence in cash

The Offer values the entire existing issued share capital of Eidos at approximately £84.3 million.

The Offer represents:

- a premium of approximately 258 per cent. to the closing mid-market price of Eidos Shares on the London Stock Exchange of 9 pence per Eidos Share on 14 January 2009 (being the last Business Day prior to Eidos’ announcement that it had received an approach that might or might not lead to an offer);
- a premium of approximately 129 per cent. to the closing mid-market price of Eidos Shares on the London Stock Exchange of 14 pence per Eidos Share on 11 February 2009 (being the last practicable day prior to the date of this announcement);
- a premium of approximately 150 per cent. to 13 pence, being the average closing mid-market price per Eidos Share over the one month to 11 February 2009; and

- a premium of approximately 91 per cent. to 17 pence, being the average closing mid-market price per Eidos Share over the three months to 11 February 2009.

It is expected that the Scheme Document will be posted in early March 2009, the Court Meeting and the Extraordinary General Meeting will be held by the end of March 2009 and the Scheme will become effective before the end of April 2009.

3 Recommendation

The Eidos Directors, who have been so advised by Citi, consider the terms of the Offer to be fair and reasonable. In providing its advice, Citi has taken into account the commercial assessments of the Eidos Directors.

The Eidos Directors consider the terms of the Offer to be in the best interests of Eidos Shareholders. Accordingly, the Eidos Directors intend unanimously to recommend that Eidos Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting, as those of them who are Eidos Shareholders have irrevocably undertaken to do in respect of their own beneficial holdings of, in aggregate, 204,153 Eidos Shares, representing (as at the date of this announcement) approximately 0.08 per cent. of the existing issued ordinary share capital of Eidos.

Further background to and reasons for the recommendation are outlined below.

4 Background to and reason for the recommendation

On 7 January 2009, the Board of Directors of Eidos received an indicative proposal from Square Enix to acquire the entire issued and to be issued share capital of Eidos.

In deciding to recommend the Offer, the Eidos Directors have taken into account a number of factors, including the following:

- the offer price of 32 pence per Eidos Share will allow Eidos Shareholders to realise their investment at a 258 per cent. premium to Eidos' closing price of 9 pence on 14 January 2009 (being the last Business Day prior to Eidos' announcement that it had received an approach that might or might not lead to an offer);
- the offer price of 32 pence per Eidos Share will allow Eidos Shareholders to realise their investment at a 150 per cent. premium to Eidos' average closing price for the one month ending 11 February 2009 (being the last practicable date prior to the date of this announcement);
- the offer price of 32 pence per Eidos Share will allow Eidos Shareholders to realise their investment at a 91 per cent. premium to Eidos' average closing price over the three months ending 11 February 2009; and
- Eidos' excellent strategic fit with the Square Enix Group.

In light of the above mentioned premia and such other factors as the Eidos Directors considered relevant, they believe that the terms of the Offer are fair and reasonable, take proper account of Eidos' position within the industry and its future prospects and represent an excellent opportunity for Eidos Shareholders to realise an attractive valuation in cash for their Eidos Shares.

5 Irrevocable undertakings

SQEX and Square Enix have received hard Irrevocable Undertakings from those Eidos Directors who are Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting, in respect of a total of 204,153 Eidos Shares, representing approximately 0.08 per cent. of the existing issued share capital of Eidos. These undertakings will cease to have effect if the Scheme Document (or, if relevant, Offer Document) is not posted within 28 days of the date of this announcement or the Scheme (or takeover offer as applicable) does not become effective, lapses or is withdrawn. These irrevocable undertakings will continue to be binding on such persons even in the event that a third party makes a higher competing offer.

Insight Investment Management and Cazenove Capital Management Ltd. have irrevocably undertaken to vote in favour of the Scheme and the resolutions to be passed at the Court meeting and the Extraordinary General Meeting in respect of their aggregate holding of 34,225,256 Eidos Shares representing approximately 13 per cent. of the existing issued share capital of Eidos. These undertakings will cease to have effect if the Scheme Document (or, if relevant, Offer Document) is not posted within 28 days of the date of this announcement, the Implementation Agreement is terminated or the Scheme (or takeover offer as applicable) does not become effective, lapses or is withdrawn. These undertakings will also cease to have effect in the event of a higher competing offer which exceeds the Offer by at least 15 per cent.

Further details of these Irrevocable Undertakings are set out in Appendix III to this announcement.

Pursuant to the Subscription Agreement, Warner Bros Entertainment Inc. has agreed that for so long as the group of companies of which it is the parent holds five per cent. of the ordinary shares then in issue, in the event of a proposed recommended takeover offer, it will provide an irrevocable undertaking to vote those shares in favour of a scheme of arrangement (or takeover offer as the case may be). Such undertaking will lapse in the event of an announcement of a higher offer made by Warner Bros Entertainment Inc. or a member of its group or a third party announcing a recommended higher offer.

SQEX and Square Enix will take appropriate steps in conjunction with Eidos to approach Warner Bros Entertainment Inc. with a view to giving effect to the above contractual arrangements. As at 11 February 2009, Warner Bros Entertainment Inc. holds or has control of 52,518,080 Eidos Shares representing approximately 20 per cent. of Eidos issued share capital.

6 Information on SQEX/Square Enix

SQEX is a limited liability company incorporated in England and Wales and is a wholly-owned subsidiary of Square Enix, the holding company of an international video games and publishing business headquartered in Tokyo, Japan.

For the year ended 31 March 2008, Square Enix recorded total revenue of £1,137 million (JPY 147,516 million), profit before tax of £129 million (JPY 16,681 million) and earnings per share of 63 pence (JPY 81.85) per share.

Square Enix's shares are listed on the first section of the Tokyo Stock Exchange.

7 Information on Eidos

Eidos is the creator of some of the world's leading videogame properties with a significant portfolio of intellectual property including: *Tomb Raider*, *Hitman*, *Deus Ex*, *Thief*, *Kane & Lynch*, *Just Cause* and *Championship Manager*.

Eidos operates a studio-led business with a clear focus on cornerstone franchises. It is a global business with a head office in Wimbledon, London and several wholly-owned development studios including Crystal Dynamics, IO Interactive, Beautiful Game Studios, Eidos Hungary, Eidos Game Studios and Eidos Montreal as well as sales and distribution offices in Europe and the US.

For the year ended 30 June 2008, Eidos reported total revenue of £119 million, loss before tax of £136 million and loss per share of 136 pence per Eidos Share. Net Assets as at 30 June 2008 were £120 million.

8 Current trading and prospects of the Eidos Group

On 9 January 2009, Eidos provided an update on its trading performance over the Christmas period. *Tomb Raider: Underworld*, which was released globally in November 2008, performed well in Eidos' key European territories against both competitive products and recent iterations of the franchise. However, in a challenging North American market, sales were below internal expectations resulting in downward revision of the Group's full year sales assumptions to a range of £160m-£180m. Eidos retains sufficient headroom within its committed banking facility but given revised profit expectations management may need to enter into discussions with its lending bank regarding June 2009 covenants.

Eidos believes its strategy of focusing on cornerstone franchises is further validated by the current challenging and competitive environment. It is concentrating its efforts and resources on those high quality titles that will deliver long-term franchise value while proactively managing its cost base and exploring ways to improve the mechanics of the business.

9 Background to and reasons for the Offer

The combination of Eidos franchises with the Square Enix Group's product offering will reinforce the Square Enix Group's position as one of the world's leaders in interactive entertainment with a broad portfolio of market leading franchises. In addition, the Square Enix Group's management believes that the combination of the companies' respective development expertise will result in extraordinary product and service innovations delivering unique entertainment experiences to its customers around the world, and strong financial returns to shareholders.

10 Management, Employees and Locations

SQEX has given the board of Eidos assurances that, following closing of the Offer, the existing employment rights, including pension rights, of the management and employees of Eidos will be fully safeguarded.

11 Eidos Share Schemes

Participants in any Eidos Share Schemes will be contacted regarding the effect of the Offer on their rights under those schemes and appropriate proposals will be made to such participants in due course. Further details of the terms of such proposals will be included in the Scheme Document.

12 Financing

Square Enix will be using existing internal cash resources which are sufficient to satisfy in full the cash consideration payable to Eidos Shareholders under the terms of the Offer. UBS Investment Bank, as financial adviser to SQEX and Square Enix, is satisfied that sufficient resources are available to satisfy the cash consideration payable to Eidos Shareholders under the terms of the Offer as a result of full acceptance of the Offer. Further information on the financing of the Offer will be set out in the Scheme Document.

13 Disclosure of interests in Eidos

Save for the Irrevocable Undertakings referred to in paragraph 5 above, none of Square Enix, SQEX or any of their directors nor, so far as Square Enix or SQEX is aware, any person acting in concert with Square Enix or SQEX has (i) any interest in, or right to subscribe for, any Eidos Shares, nor does any such person have any short position (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; (ii) has borrowed or lent any Eidos Shares or (iii) has any arrangement in relation to Eidos Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Eidos Shares which may be an inducement to deal or refrain from dealing in such securities.

14 Implementation Agreement and Inducement Fee

Eidos and Square Enix have entered into the Implementation Agreement which provides, *inter alia*, for the implementation of the Scheme in accordance with an agreed indicative timetable and related matters. The Implementation Agreement also contains certain assurances and confirmations between the parties, including provisions in relation to the implementation of the Scheme on a timely basis and governing the conduct of the business of the Eidos Group prior to the Effective Date or the termination of such agreement. The other key provisions of the Implementation Agreement are as summarised below.

Non-solicitation

Eidos has agreed that it shall not solicit any person with a view to certain third party transactions taking place (including an offer for Eidos) and it will notify Square Enix of any approach that is made to it in relation to such transactions.

Matching Rights

Eidos has agreed that if an announcement is made in respect of a competing offer, it will not withdraw, modify or qualify the recommendation of the Offer and will continue to

recommend the Offer if Square Enix revises the terms of the Offer so that its terms (as revised) are no less favourable to Eidos Shareholders than the third party offer.

Inducement Fee

Eidos has agreed to pay Square Enix an Inducement Fee if, in summary, following the release of this announcement a third party offer is made and such offer is declared unconditional in all respects and is completed or becomes effective.

Eidos has undertaken it shall not offer or agree to any work fee, inducement fee or break fee or other similar arrangement with any other party.

15 Structure of the Offer

The Offer is expected to be effected by means of a scheme of arrangement between Eidos and its Shareholders under the Companies Act 2006, although SQEX will retain the right to effect the Offer by way of a takeover offer should it so decide.

The Scheme will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document. The purpose of the Scheme is to provide for SQEX to become the owner of the whole of the issued ordinary share capital of Eidos. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of new shares in Eidos (which is equal to the number of Scheme Shares cancelled) and issuing them to SQEX, in consideration for which the holders of the Scheme Shares will receive cash on the basis set out in paragraph 2 of this announcement.

To become effective, the Scheme will require, amongst other things, the approval by a majority in number of the Eidos Shareholders representing at least 75 per cent. in value of all Eidos Shares held by such Eidos Shareholders voted, either in person or by proxy, at the Court Meeting, together with the sanction of the Court and the passing of a special resolution necessary to implement the Scheme at the Extraordinary General Meeting. The special resolution will also approve amendments to the articles of association of Eidos and, if necessary, certain of the Eidos Share Schemes. Upon the Scheme becoming effective, it will be binding on all Eidos Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Extraordinary General Meeting.

Further details of the Scheme will be contained in the Scheme Document which is expected to be posted to Eidos Shareholders in early March 2009. The Scheme is expected to be effective before the end of April 2009.

16 Delisting and re-registration

It is intended, that SQEX will procure that Eidos will apply to the London Stock Exchange for the cancellation of the admission to trading of Eidos Shares to its main market for listed securities and to the Financial Services Authority for the cancellation of the admission of the Eidos Shares to the Official List, in each case with effect from the Effective Date.

Subject to the Scheme becoming effective, share certificates in respect of Eidos Shares will cease to be valid on the Effective Date. In addition, on the Effective Date, entitlements to Eidos Shares held within the CREST system will be cancelled. It is also proposed that, following the Effective Date, Eidos will be re-registered as a private limited company.

17 General

The Offer will be made on the terms and subject to the Conditions and further terms set out in Appendix I and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and provisions of the City Code. The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the Extraordinary General Meeting and the expected timetable of the Offer. The Scheme Document and the forms of proxy will be dispatched to Eidos Shareholders in due course. The Offer will be subject to the applicable requirements of the City Code, the Listing Rules and the Panel.

Appendix II contains details of the sources of information and bases of calculations set out in this announcement. Appendix III contains details of the Irrevocable Undertakings that have been provided to SQEX and Square Enix. Appendix IV contains definitions of certain expressions used in this announcement.

This announcement does not constitute an offer to sell or an invitation to purchase or subscribe for any securities. This announcement also does not constitute a prospectus or prospectus equivalent document.

Any response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document or any document by which the Offer is made. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom, or who are subject to the laws of any jurisdiction other than the United Kingdom, should inform themselves about and observe any applicable requirements of those jurisdictions.

The Offer relates to the shares of a UK company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules. However, if SQEX were to elect to implement the Offer by means of a takeover offer, such offer would be made in compliance with all applicable laws and regulations, including the US tender offer rules, to the extent required.

If the Offer is carried out by way of a takeover offer, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, (including without limitation by telex, facsimile transmission, telephone, internet or other forms of electronic communication) distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to Eidos Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

UBS Investment Bank, is acting exclusively for SQEX and no one else in connection with the Offer and will not be responsible to anyone other than SQEX for providing the protections afforded to clients of UBS Investment Bank, or for providing advice in connection with the Offer or any matter referred to herein.

Citi, which is authorised and regulated by the Financial Services Authority, is acting exclusively for Eidos and no one else in connection with the Offer and will not be responsible to anyone other than Eidos for providing the protections afforded to clients of Citi or for providing advice in connection with the Offer or any matter referred to herein.

No listing authority or equivalent has reviewed, approved or disapproved of this announcement of any of the proposals described herein.

Forward Looking Statements

This announcement contains statements about SQEX, Square Enix and Eidos that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans” “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or, words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of SQEX’s, Square Enix’s or Eidos’ operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on SQEX’s, Square Enix’s or Eidos’ business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. SQEX and Eidos disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Eidos, all “dealings” in any “relevant securities” of Eidos (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or lapses or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Eidos, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Eidos by SQEX or Eidos, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel’s website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (0) 20 7638 0129; fax +44 (0) 20 7236 7013.

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APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE OFFER

Part A: Conditions of the Scheme

The Offer, if it is implemented by way of a Scheme, will be conditional upon the Scheme becoming effective by not later than 30 June 2009 or such later date (if any) as Eidos and SQEX may agree and (if required) the Court and the Panel may allow.

- 1 The Scheme will be conditional upon:
 - 1.1 the approval of the Scheme by a majority in number representing 75 per cent or more in value of the Scheme Shareholders (or the relevant class or classes thereof, if any) present and voting, either in person or by proxy, at the Court Meeting, or at any adjournment thereof;
 - 1.2 the resolution(s) in connection with or required to approve and implement the Scheme that will be set out in the notice of the Extraordinary General Meeting being duly passed by the requisite majority at the Extraordinary General Meeting, or at any adjournment thereof; and
 - 1.3 the sanction (with or without modification, on terms agreed by Eidos and SQEX) of the Scheme and confirmation of the Capital Reduction by the Court and office copies of the Court Orders and the minute of such Capital Reduction attached thereto being delivered for registration to the Registrar of Companies in England and Wales and, in relation to the Capital Reduction, being registered by that Registrar.
- 2 In addition, Eidos and SQEX have agreed that, subject as stated in Part B below, application to the Court to sanction the Scheme and to confirm the Capital Reduction will not be made unless Conditions 1.1 and 1.2 above have been fulfilled and unless immediately prior to the hearing to sanction the Scheme the following Conditions (amended as necessary for incorporation into the Scheme document) are satisfied or waived as referred to below:
 - 2.1 all required filings having been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations thereunder and all applicable waiting periods with respect thereto having expired or been terminated;
 - 2.2 no central bank, government or governmental, quasi-governmental, state or local government, competition authority, supranational, statutory, environmental, administrative, investigative or regulatory body, agency, court, association or any other person or body in any jurisdiction (a "**Relevant Authority**") having taken, instituted, implemented or threatened any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed any statute, regulation or order, or taken any other step that would, or could reasonably be expected to:
 - 2.2.1 require the divestiture by any member of the Wider Square Enix Group or any member of the Wider Eidos Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any member of the Wider Square Enix Group or the Wider Eidos Group to conduct its business (or any part of it) or to own any of its assets or property or any part of them which, in any such case, is material in the context of the Eidos Group taken as a whole;

- 2.2.2 require any member of either the Wider Square Enix Group or Wider Eidos Group to make an offer to acquire any shares or other securities in any member of the Wider Eidos Group owned by any third party; or
- 2.2.3 impose any limitation on, or result in a material delay in, the ability of SQEX directly or indirectly to acquire or to hold or to exercise effectively directly or indirectly all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in Eidos or the ability of SQEX to hold or exercise effectively any rights of ownership of shares, loans or other securities in, or to exercise management control over any member of the Wider Eidos Group, which, in any such case, is material in the context of the Eidos Group taken as a whole;
- 2.2.4 otherwise adversely affect the business, assets, liabilities, financial or trading position, profits or prospects of any member of the Wider Eidos Group in each case to an extent which is material in the context of the Eidos Group taken as a whole;
- 2.2.5 result in any member of the Wider Eidos Group ceasing to be able to carry on business under any name under which it presently does so which is material in the context of the Eidos Group taken as a whole; or
- 2.2.6 make the Scheme or its implementation void, unenforceable, illegal and/or prohibited in or under the laws of any jurisdiction or otherwise (in all cases to a material extent) directly or indirectly restrict, restrain, delay or interfere with the implementation of, or impose additional conditions or obligations with respect to, or require amendment of, or challenge or interfere with, the Offer,

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceedings, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction having expired, lapsed or been terminated;

- 2.3 all necessary filings, applications and/or notifications having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated in each case in respect of the Offer and the acquisition of any shares or other securities in, or control of, Eidos by SQEX or any member of the Wider Square Enix Group and all authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals (“**authorisations**”) necessary in any jurisdiction for or in respect of the Offer and the proposed acquisition of any shares or other securities in, or control or management of, Eidos by SQEX or any member of the Wider Square Enix Group being obtained in terms and in a form satisfactory to SQEX, acting reasonably, from appropriate Relevant Authorities or from any persons or bodies with whom any member of the Wider Eidos Group has entered into contractual arrangements and such authorisations together with all authorisations necessary or appropriate for any member of the Wider Eidos Group to carry on its business remaining in full force and effect in each case where the absence of such authorisation would have a material adverse effect on the Eidos Group and there being no notice or other intimation of any intention to revoke, suspend, restrict or modify or not to renew any of the same having been made and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;
- 2.4 save as fairly disclosed in the Annual Report or as Publicly Announced or fairly disclosed in writing to SQEX or its advisers by or on behalf of Eidos in the cause of the negotiations

relating to the Offer, in each case prior to the date of this announcement, there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Eidos Group is a party or by or to which any such member or any of its assets is or may be bound or be subject to which, as a consequence of the Offer or the acquisition or the proposed acquisition by SQEX or any member of the Square Enix Group of any shares or other securities (or the equivalent) in Eidos or because of a change in the control or management of any member of the Wider Eidos Group or otherwise, would result, in any case to an extent which is material in the context of the Eidos Group taken as a whole; in:

- 2.4.1 any monies borrowed by, or any other indebtedness, actual or contingent, of, any member of the Wider Eidos Group being or becoming repayable, or being capable of being declared repayable immediately or prior to their or its stated maturity, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited;
- 2.4.2 the creation or enforcement of any mortgage, charge or other security interest, over the whole or any part of the business, property or assets of any member of the Wider Eidos Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
- 2.4.3 any such arrangement, agreement, lease, licence, permit or other instrument being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- 2.4.4 any assets or interests of any member of the Wider Eidos Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- 2.4.5 the rights, liabilities, obligations or interests of any member of the Wider Eidos Group in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- 2.4.6 the value or financial or trading position or profits of Eidos or any member of the Wider Eidos Group being prejudiced or adversely affected; or
- 2.4.7 the creation of any liability (actual or contingent) by any member of the Eidos Group;

2.5 save as fairly disclosed in the Annual Report or as Publicly Announced or fairly disclosed in writing to SQEX or its advisers by or on behalf of Eidos in the course of the negotiations relating to the Offer, in each case prior to the date of this announcement, no member of the Wider Eidos Group having since 30 June 2008:

- 2.5.1 issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Eidos and wholly-owned subsidiaries of Eidos, or between any of them, and save for the issue of the Eidos Shares pursuant to or in connection with rights granted before the date of this announcement under, or the grant of rights before such date under, Eidos Share Schemes);

- 2.5.2** recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Eidos to Eidos or any of its wholly-owned subsidiaries;
- 2.5.3** other than pursuant to the implementation of the Offer (and save for transactions between Eidos and its wholly-owned subsidiaries, or between any of them, and transactions in the ordinary course of business) implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings, that is material in the context of the Eidos Group taken as a whole;
- 2.5.4** (save for transactions between Eidos and its wholly-owned subsidiaries, or between any of them, and save for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset that is material in the context of the Eidos Group taken as a whole or authorised, proposed or announced any intention to do so;
- 2.5.5** (save for transactions between Eidos and its wholly-owned subsidiaries, or between any of them) issued, authorised or proposed or announced an intention to authorise or propose, the issue of any debentures or (save for transactions between Eidos and its wholly-owned subsidiaries or transactions under existing credit arrangements or in the ordinary course of business) incurred any indebtedness or contingent liability which is material in the context of the Eidos Group as a whole;
- 2.5.6** entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which involves or is reasonably likely to involve an obligation of such a nature or magnitude which is, in any such case, or which is or is likely to be restrictive on the business of any member of the Wider Eidos Group, which is, in any such case, material in the context of the Eidos Group;
- 2.5.7** entered into or varied to a material extent or authorised, proposed or announced its intention to enter into or vary to a material extent the terms of, or make any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any service agreement with any director or, save for salary increases, bonuses or variations of terms in the ordinary course, senior executive of Eidos;
- 2.5.8** proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Eidos Group that is material in the context of the Eidos Group taken as a whole;
- 2.5.9** purchased, redeemed or repaid or announced a proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to or proposed the reduction or other change to any part of

- its paid-up share capital, save as between Eidos and wholly-owned subsidiaries of Eidos or between any of them;
- 2.5.10** waived, compromised or settled any claim which is material in the context of the Eidos Group as a whole otherwise than in the ordinary course of business;
 - 2.5.11** terminated or varied the terms of any agreement or arrangement between any member of the Wider Eidos Group and any other person in a manner which would or could reasonably be expected to have a material adverse effect on the financial position of the Eidos Group taken as a whole;
 - 2.5.12** (save as disclosed on publicly available registers) made any alteration to its memorandum or articles of association (subject to such amendment, in the case of any undertaking which is not a member of the Eidos Group, being material in the context of the Eidos Group as a whole);
 - 2.5.13** made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for the directors and/or employees of any member of the Eidos Group and/or their dependants or to the benefits which accrue, or to the pensions which are payable (including contributions payable to any such Schemes), thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation;
 - 2.5.14** been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any business compromised or settled any claim which is material in the context of the Eidos Group as a whole;
 - 2.5.15** (other than in respect of a company which is dormant and was solvent at the relevant time) taken or proposed any corporate action or had any action or proceedings or other steps instituted against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction; or
 - 2.5.16** entered into any agreement, arrangement or commitment or passed any resolution or made any proposal or announcement with respect to, or to effect, any of the transactions, matters or events referred to in this condition above;
- 2.6** save as fairly disclosed in the Annual Report or as Publicly Announced or fairly disclosed in writing to SQEX or its advisers by or on behalf of Eidos in the course of negotiations relating to the Offer, in each case prior to the date of this announcement, since 30 June 2008 there having been:
- 2.6.1** no adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of any member of the Wider Eidos Group which is material in the context of the Eidos Group taken as a whole;

- 2.6.2** no litigation, arbitration proceedings, prosecution or other legal proceedings having been announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Eidos Group and which could reasonably be expected to have a material adverse effect on the Eidos Group taken as a whole;
 - 2.6.3** no contingent or other liability having arisen or become apparent to any member of the Square Enix Group which might reasonably be expected to adversely affect any member of the Wider Eidos Group and which in any such case is material in the context of the Eidos Group taken as a whole; and
 - 2.6.4** no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Eidos Group which is necessary for the carrying on of its business and material in the context of the Eidos Group taken as a whole;
- 2.7** save as fairly disclosed in the Annual Report or as Publicly Announced or fairly disclosed in writing to SQEX or its advisers by or on behalf of Eidos in the course of negotiations relating to the Offer, in each case prior to the date of this announcement, SQEX not having discovered:
- 2.7.1** that the financial, business or other information concerning the Wider Eidos Group publicly announced or disclosed at any time by or on behalf of any member of the Wider Eidos Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading and which is, in any case, material in the context of the Eidos Group;
 - 2.7.2** that any member of the Wider Eidos Group, partnership, company or other entity in which any member of the Wider Eidos Group has a significant economic interest and which is not a subsidiary undertaking of the Wider Eidos Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Eidos Group taken as a whole;
 - 2.7.3** any information which affects the import of any information disclosed at any time by or on behalf of any member of the Eidos Group which is material in the context of the Eidos Group taken as a whole;
 - 2.7.4** that any past or present member of the Wider Eidos Group has failed to comply in any material respect with any and/or all applicable legislation or regulations of any jurisdiction with regard to the storage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment or harm human or animal health or otherwise relating to environmental matters or that there has been any such storage, presence, disposal, discharge, spillage, release, leak or emission (whether or not the same constituted non-compliance by any person with any such legislation or regulation, and whenever the same may have taken place), any of which non-compliance would be likely to give rise to any material liability (whether actual or contingent) or cost on the part of any member of the Wider Eidos Group and which is material, in any such case, in the context of the Wider Eidos Group taken as a whole; or
 - 2.7.5** there is, or is reasonably likely to be, any material obligation or liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Eidos Group under any environmental legislation,

regulation, notice, circular or order of any governmental or regulatory authority in any jurisdiction, in each case to an extent which is material in the context of the Eidos Group taken as a whole.

Part B: Waiver of Conditions and further terms of the Offer

Subject to the requirements of the Panel, SQEX reserves the right to waive, in whole or in part, all or any of the above Conditions 2.1 to 2.7 (inclusive).

If SQEX is required by the Panel to make an offer for Eidos Shares under the provisions of Rule 9 of the City Code, SQEX may make such alteration to any of the above Conditions including Condition 1 above, as are necessary to comply with the provisions of that Rule.

SQEX shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2.1 to 2.7 (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

SQEX reserves its absolute right to elect to implement the Offer by way of a takeover offer as it may determine in its absolute discretion. In such event, such offer will be implemented on the same terms (subject to appropriate amendments, including (without limitation) an acceptance condition set at ninety per cent. (or such less percentage, being more than fifty per cent., as SQEX may decide)) of the shares to which such offer relates), so far as applicable, as those which would apply to the Scheme.

Eidos Shares will be acquired under the Offer fully paid and free from all liens, equitable interests, charges, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto. Any new Eidos Shares issued to SQEX or its nominee(s) pursuant to the Scheme will be issued on the same basis.

APPENDIX II
SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) The value placed by the Offer on the existing issued share capital of Eidos is based on 263,586,730 Eidos Shares in issue on 11 February 2009, being the last Business Day prior to the date of this announcement.
- (ii) The closing mid-market share prices on 14 January 2009 and 11 February 2009 are taken from the London Stock Exchange Daily Official List.
- (iii) The one month and three month average Eidos share prices are taken from the average of the closing share prices from DataStream.
- (iv) The financial information relating to Square Enix is extracted from the audited consolidated financial statements of Square Enix for the year ended 31 March 2008, prepared in accordance with Japanese GAAP.
- (v) The financial information relating to Eidos is extracted from the audited consolidated financial statements of Eidos for the year ended 30 June 2008, prepared in accordance with UK GAAP.
- (vi) An exchange rate of 129.77 is used to convert JPY to Sterling, sourced from Bloomberg as at 11 February 2009.
- (vii) The percentages and numerical figures have been rounded to two decimal places.
- (viii) The International Securities Identification Number for Eidos Shares is GB0007641797.

**APPENDIX III
DETAILS OF IRREVOCABLE UNDERTAKINGS**

The following holders of Eidos Shares have given irrevocable undertakings to vote in favour of the Offer:

Name	Number of Eidos Shares	% of issued share capital
Directors		
Tim Ryan	81,488	0.03
Phil Rogers	60,000	0.02
Nigel Wayne	21,110	0.01
Donald Johnston	41,555	0.02
Subtotal	204,153	0.08
Institutions		
Insight Investment Management	8,000,000	3.0
Cazenove Capital Management Ltd.	26,225,256	9.9
Subtotal	34,225,256	13.0
TOTAL	34,429,409	13.1

In addition the Eidos Directors have agreed that the undertaking to vote in favour of the Scheme and resolutions at the Court Meeting and the Extraordinary General Meeting will extend to Eidos Shares issued to them before the meetings on the exercise of certain options.

APPENDIX IV DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“Annual Report”	the annual report and accounts of Eidos for the year ended 30 June 2008
“Business Day”	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business (other than solely for trading and settlement in Euros) in the City of London
“Capital Reduction”	the reduction of Eidos’ share capital provided for by the Scheme
“Citi”	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom
“City Code”	the City Code on Takeovers and Mergers
“Conditions”	the conditions to the implementation of the Offer, as set out in Appendix I of this announcement and to be set out in the Scheme Document
“Court”	the High Court of Justice in England and Wales
“Court Meeting(s)”	the meeting of Eidos Shareholders to be convened pursuant to an order of the Court under the Companies Act 2006 for the purpose of considering and if thought fit approving the Scheme (with or without modification) and any adjournment thereof
“Court Order(s)”	the order of the Court sanctioning the Scheme under the Companies Act 2006 and the order of the Court confirming the Capital Reduction under the Companies Act 1985 respectively or, where the context requires, either of them
“CREST”	the CREST system for paperless settlement of trades in securities operated by Euroclear Limited
“Eidos” or the “Company”	Eidos plc, a company incorporated in England and Wales with registration number 3121578 having its registered office at Wimbledon Bridge House 1 Hartfield Road London SW19 3RU
“Eidos Directors”	the directors of Eidos as at the date of this announcement
“Eidos Group”	Eidos, its subsidiaries and subsidiary undertaking
“Eidos Shareholders” or “Shareholders”	the holders of Eidos Shares
“Eidos Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 5 pence each in the capital of Eidos

“Eidos Share Schemes”	the Eidos Share Plan 2008, the Eidos Approved Share Option Plan 2008 and the Eidos Unapproved Share Option Plan 2008
“Effective Date”	the date on which the Scheme becomes effective pursuant to its terms or, should SQEX elect to implement the Offer by way of a takeover offer, the date on which the Offer becomes or is declared unconditional in all respects
“Extraordinary General Meeting” or “EGM”	the general meeting of Eidos Shareholders (and any adjournment thereof) to be convened in connection with the Offer
“GAAP”	Generally Accepted Accounting Principles
“IFRS”	International Financial Reporting Standards
“Implementation Agreement”	the implementation agreement dated on or about the date of this announcement between Eidos and Square Enix pursuant to which, amongst other things, the parties have agreed to implement the Scheme
“Inducement Fee”	an amount equal to £843,478 (inclusive of any value added tax which may be payable in connection with the same) payable on the terms contained in the Implementation Agreement
“Irrevocable Undertakings”	the irrevocable undertakings of Cazenove Capital Management Ltd, Insight Investment Management and the Eidos Directors to vote in favour of the Scheme of which details are set out in Appendix III of this announcement
“Japan”	Japan, its cities and prefectures, territories and possessions
“JPY”	the lawful currency of Japan
“Listing Rules”	the listing rules made by the Financial Services Authority in exercise of its functions as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000
“London Stock Exchange”	London Stock Exchange plc
“Offer”	the proposed recommended offer of 32 pence in cash per Eidos Share to be made by SQEX to acquire the entire issued and to be issued ordinary share capital of Eidos by means of the Scheme or, should it so elect, by means of a takeover offer
“Official List”	the Official List of the UK Listing Authority
“Panel”	the Panel on Takeovers and Mergers
“Publicly Announced”	means fairly disclosed in any public announcement by Eidos to any Regulatory Information Service or in its Annual Report
“Reduction Record Time”	6.00 p.m. on the day immediately before the date on which

	the Court confirms the reduction of share capital provided for by the Scheme under section 137 of the Companies Act 1985
“Regulatory Information Service”	any of the services set out in Appendix III to the Listing Rules
“Restricted Jurisdiction”	any jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction
“Scheme”	the scheme of arrangement under the Companies Act 2006 to be proposed by Eidos to the Scheme Shareholders (with or without modification on terms to be agreed by Eidos and SQEX), the full terms of which will be set out in the Scheme Document
“Scheme Document”	the document to be sent to the Eidos Shareholders, containing and setting out the Scheme and the notices convening the Court Meeting(s) and the EGM
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<ul style="list-style-type: none"> (i) the Eidos Shares in issue at the date of the Scheme; (ii) any Eidos Shares issued after the date of the Scheme Document and before the Voting Record Time; and (iii) any Eidos Shares issued at or after the Voting Record Time and before the Reduction Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme <p>in each case excluding any Eidos Shares registered in the name of or beneficially owned by members of the Square Enix Group</p>
“SQEX”	SQEX Ltd., a company incorporated in England and Wales with registration number 06765697, having registered office at 35 Vine Street London EC3N 2AA
“SQEX Directors”	the directors of SQEX as at the date of this announcement
“Square Enix Group”	Square Enix, its subsidiaries and subsidiary undertakings
“Square Enix”	Square Enix Holdings Co. Ltd, a company incorporated in Japan with registered address at Shinjuku Bunka Quint Bldg. 3-22-7 Yoyogi, Shibuga-ku, Tokyo 151-8544, Japan
“Sterling”	UK pounds sterling, the lawful currency of the United Kingdom
“Subscription Agreement”	the subscription agreement dated 15 December 2006 between Eidos and Warner Bros Entertainment Inc.
“UBS Investment Bank”	UBS Limited, 1 Finsbury Avenue, London EC2M 2PP

“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
“Voting Record Time”	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if such Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the day of such adjourned meeting
“Wider Eidos Group”	Eidos, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Eidos and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
“Wider Square Enix Group”	Square Enix, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Square Enix and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or equivalent

For the purposes of this announcement, **“subsidiary”**, **“subsidiary undertaking”**, **“undertaking”** and **“associated undertaking”** have the respective meanings given thereto by the Companies Act 1985, but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A of the Companies Act 1985.

All the times referred to in this announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

£ and pence means pounds and pence Sterling.