

C H BAILEY PLC

**1<sup>st</sup> Oct 2008**

**Related party transactions**

The Board of CH Bailey, Plc (the “Company” or “C H Bailey”) announces the following transactions between the Group and Mr C H Bailey (“Mr Bailey”), the Company’s chairman and managing director. These transactions are related party transactions within the meaning of the AIM Rules.

In the four months between 1 April 2008 and 31 July 2008, Mr Bailey made unsecured short term loans to Group companies amounting in aggregate to £877,000. At 30 September 2008, the total amount owed by Group companies to Mr Bailey was £1,660,000. These loans bear interest at a commercial rate.

The directors of CH Bailey Plc (other than Mr Bailey himself, who has not participated in the Board’s discussions on the matter) consider, having consulted with Arden Partners plc, the Company’s nominated adviser, that the terms of the short-term loans advanced by Mr Bailey since 1 April 2008 are fair and reasonable so far as the Company’s shareholders are concerned.

Enquiries:

C H Bailey, Plc

Charles Bailey (Tel: 01633 262961)

Arden Partners plc

Richard Day (Tel: 020 7398 1632)

Colin Smith (Tel: 0121 423 8940)