

C H BAILEY PLC

January 2009 - Administrators appointed to subsidiary

The Board of C H Bailey, Plc (“C H Bailey” or the “Company”) announces the appointment of Mr Tim Ball of Mazars LLP as administrator of its subsidiary Modular Automation International Limited (“Modular Automation”).

Modular Automation is a manufacturer of bespoke automated assembly machines. In the year ended 31 March 2008, Modular Automation reported revenues of £5.9 million and a loss before tax of £0.2 million. At 30 September 2008, Modular Automation had gross assets of £1.1 million and net liabilities of £0.8 million.

The Board of C H Bailey has for some months been looking for a strategic partner for Modular Automation, but without success. As stated in the Group’s interim results for the six months ended 30 September 2008, Modular Automation has been faced with particularly difficult market conditions and continued to trade at a loss in this interim period.

In recent weeks the company has seen an increase in enquiries but found that customers are not committing to orders but delaying due to the uncertainty in the global economy. Since the New Year payments from customers have become more difficult to collect. Due to these circumstances the directors of Modular have now concluded that there is no alternative to placing Modular Automation in administration, in the hope that a third party becomes interested in acquiring the business.

The appointment of an administrator to Modular Automation does not affect any of CH Bailey’s other trading businesses and these will continue to operate.

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