

## **C H BAILEY PLC**

31 March 2006

### **Result of EGM and separate class meetings**

The board of CH Bailey, Plc announces that at today's Extraordinary General Meeting and separate class meetings of the Ordinary Shareholders and "B" Ordinary Shareholders, all of the resolutions to approve the Restructuring Proposals (as defined in the circular sent to shareholders on 8 March 2006) were approved.

Addressing the Extraordinary General Meeting, the Company's chairman Charles Bailey said:

"The Board has been asked by a number of shareholders to provide further explanation with regard to the differing conversion ratios proposed for Ordinary and B Ordinary Shares.

As Shareholders are aware, the proposed conversion ratios effectively value one B Ordinary Share at the same as 10 Ordinary Shares. As stated in the circular to shareholders, the Independent Directors gave particular consideration to the prices at which both classes of shares had been traded in the market since the Company was admitted to AIM in August 2004. In evaluating these market transactions, more weight was placed on larger trades and less weight on smaller trades. The Independent Directors also took into account the consistently increasing relative value being placed by the market over this period on the B Ordinary Shares.

Some shareholders have commented on the historically lower ratios between the two classes of shares, and have drawn attention to the prices at which shares were bought back by the Company in October 2004 in an off-market transaction, and the prices at which these shares were subsequently re-issued in July 2005. The relative pricing for both these transactions was based on the market prices prevailing at a particular point in time. As I have explained, the present proposals are based on actual market transactions which have taken place over an extended period.

The Independent Directors wish to emphasise that in formulating their proposals, they carefully examined the basis of recent capital restructurings by other quoted companies, and took independent advice as to whether the proposals were fair and reasonable for both classes of Shareholders. They remain strongly of the view that the proposals are in the best interests of the Company and its shareholders."

The Restructuring Proposals will become effective immediately following the close of business today and dealings in the New Ordinary Shares are expected to commence on Monday 3 April 2006. The EPIC code for the New Ordinary Shares will be BLEY.

New share certificates and cheques for the proceeds from the sale of fractional and other entitlements will be sent to Shareholders on or around Thursday 6 April 2006.

Enquiries:

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