

# C.H Bailey Plc

## ANNOUNCEMENTS 2005

November 23rd 2005

### Result of Annual General Meeting

The Board of C H Bailey Plc ("the" "Company") announces that at the Annual General Meeting of the Company held earlier today, all of the resolutions proposed in the notice of the meeting dated 30<sup>th</sup> September 2005 were approved by shareholders.

Addressing shareholders at the meeting, the Company's chairman, Charles Bailey said that the Board is now advanced in its consideration of the benefits of moving to a single class of share, and expects to be in a position to communicate its views to the Company's shareholders in the near future.

Mr Bailey reported that planning permission in respect of the proposed office development on part of the Oyster Bay site had now been received. He also confirmed that the Group's trading performance is continuing to improve and that the Board remains positive on the Group's prospects for the remainder of the current year and beyond.

Enquiries:  
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July 7th 2005

### OPEN OFFER OF 4,440,969 ORDINARY SHARES AND 389,444 "B" ORDINARY SHARES

C.H. Bailey Plc, the AIM quoted engineering and leisure group, announces that it proposes to raise approximately £884,000 before expenses by means of an open offer of 4,440,969 Ordinary Shares and 389,444 "B" Ordinary Shares.

#### Summary of the Open Offer

- 4,440,969 Ordinary Shares at 12.6 pence per share and 389,444 "B" Ordinary Shares at 83.25 pence per share
- Raising approximately £884,000 before expenses
- Fully supported by the Directors
- Proceeds to be used towards repaying loans from two of the Directors

Commenting on the Open Offer, Charles Bailey, managing director said:

"The Group has changed very significantly over the last two years and the Board believes that further changes need to be made to allow the Company to consolidate its position and to achieve profitability.

The Open Offer will strengthen the balance sheet, will give existing shareholders the opportunity to participate in the fundraising and will facilitate any further structural changes which may be required. The Directors believe that the Group is now making significant progress and hope that shareholders will wish to show their continued support for the Company by taking up their entitlements under the Open Offer, as the Directors themselves intend to do."

*Further information:*

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## C.H. BAILEY, PLC

### OPEN OFFER OF 4,440,969 ORDINARY SHARES AND 389,444 "B" ORDINARY SHARES

#### Introduction

The Board of C.H. Bailey, Plc (the "Company") announces an Open Offer of 4,440,969 Ordinary Shares at 12.6 pence per share and 389,444 B Ordinary Shares at 83.25 pence per share to raise approximately £884,000 before expenses. The Offer Shares are all currently held by the Company as treasury shares. Qualifying Shareholders are being given the opportunity under the Initial Offer to apply for all of the Offer Shares on the basis, in the case of each class of Existing Ordinary Shares, of 1 Offer Share of the relevant class for every 9 Existing Ordinary Shares of that class held as at the Record Date, being close of business on 4 July 2005.

As described in more detail below (Details of the Open Offer), Qualifying Shareholders will also be offered the opportunity, under the Excess Offer, to apply for more than their pro rata entitlements with such applications being scaled back in the event of excess applications.

A full circular (the "Circular") containing details relating to the Open Offer is being sent to shareholders today.

#### Reasons for the Open Offer

The Board considers it to be in the best interests of the Company to further strengthen the Group's balance sheet and to repay as quickly as is practicable the debt of £900,000, plus accrued but unpaid interest, which is currently owed to two of the directors, Charles Bailey and Mrs Sarah Bailey ("Loans"). Repayment of the Loans is now due. The Board considers that the best way to achieve this is to make use of the shares of both classes currently held in treasury. Accordingly, the net proceeds of the Open Offer, which are expected to amount to approximately £820,000 will be put towards repayment of the Loans and any accrued but unpaid interest.

The sale of the Offer Shares will increase the net assets of the Company and strengthen the Company's position for seeking future development funding in the event that the Group decides, for example, to develop further the assets in Malta or Tanzania. The Board also believes that the sale of the treasury shares now will simplify any process of restructuring the share capital, should the Board decide to recommend such a restructuring to shareholders.

#### Directors' interests

All of the Directors have indicated that they intend to subscribe for their maximum individual entitlements under the Initial Offer.

Additionally, in order to ensure the sale of all of the Offer Shares, Charles Bailey has indicated that he will apply for all of the Offer Shares other than those for which the other Directors are applying under the Initial Offer. This will ensure that, regardless of the level of acceptances from other Qualifying Shareholders, all of the Offer Shares will be sold. In the event that no Qualifying Shareholders, apart from the Directors, applied for Offer Shares under the Initial Offer and all of the Offer Shares available under the Excess Offer were taken up by Charles Bailey, the Directors' resulting interests in shares would be:

Name	Ordinary Shares		B Ordinary Shares	
	Number	%	Number	%
C H Bailey	2,908,859	6.48	223,000	5.73
Mrs S Bailey	20,228,260	45.04	3,099,444	79.59
T C Bishop	9,123	0.02%	0	0
Sir W H McAlpine	11,111	0.02%	0	0

## **Details of the Open Offer**

The Company intends to raise approximately £884,000, before expenses, by the issue of 4,440,969 'A' Offer Shares and 389,444 'B' Offer Shares pursuant to the Open Offer. Applications for Offer Shares will be satisfied by the issue of Ordinary Shares and 'B' Ordinary Shares that are currently held by the Company as treasury shares.

### **Initial Offer**

The Circular being despatched to Qualifying Shareholders today invites Qualifying Shareholders to apply for Offer Shares at the 'A' Offer Price of 12.6 pence per 'A' Offer Share and the 'B' Offer Price of 83.25 pence per 'B' Offer Share, payable in full on application, on the basis of 1 Offer Share for every 9 Existing Shares of the same class held by such Qualifying Shareholders and registered in their names on the Record Date, and so in proportion for any other number of Existing Shares then held.

The Offer Price of 12.6 pence per 'A' Offer Share and 83.25 pence per 'B' Offer Share represents a 10 per cent discount to the closing middle market prices of 14 pence per Ordinary Share and 92.5 pence per 'B' Ordinary Share respectively on 4 July 2005, the Record Date of the Open Offer. At the close of business on 6 July 2005, immediately prior to the announcement of the Open Offer, the middle market prices were 14 pence per Ordinary Share and 75 pence per 'B' Ordinary Share.

Fractions of Offer Shares will not be allotted to Qualifying Shareholders but, together with Offer Shares attributable to those Overseas Shareholders who are not eligible to participate in the Open Offer, will be aggregated and made available to other Qualifying Shareholders under the Excess Offer described below and the proceeds will be retained for the benefit of the Company.

### **Excess Offer**

In addition, Qualifying Shareholders may apply for any number of additional Offer Shares in excess of their entitlements under the Initial Offer. Qualifying Shareholders may only apply for additional Offer Shares if they have properly applied for their maximum entitlement under the Initial Offer and may only apply for additional Offer Shares of the same class as they are entitled to apply for under the Initial Offer.

In the event that applications for additional Offer Shares of a particular class are received for an aggregate number in excess of the number of Offer Shares of that class not taken up in the Initial Offer, the remaining Offer Shares of that class shall be apportioned between those Qualifying Shareholders applying for additional Offer Shares in proportion to the number of additional Offer Shares of the same class they have each applied for, with any fractional entitlements so arising being dealt with as determined by the Company, in its absolute discretion.

Holdings of Existing Ordinary Shares and/or Existing 'B' Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

The full terms of the Open Offer, the conditions to which it is subject and the procedure for application are set out in Part 2 of the Circular.

## **Current trading and prospects**

As announced at the time of publication of the Group's interim results for the six months ended 30 September 2004, which showed a significant growth in turnover and a reduction in operating losses, the Group's managing director, Charles Bailey, said in his statement that the Group's results were beginning to show the benefits of the restructuring and diversification of the Group which had taken place over the previous twelve months. Since the date of the interim announcement, the Group has completed the sale of the Bute dry dock for £1.8 million and the acquisition of Modular Automation International Limited.

The Directors estimate that the Group's turnover for the year ended 31 March 2005 was not less than £6.9m (2004: £4.6m) and that its operating loss before exceptional items, investment income and interest was not more than £1.4m (2004: £1.8m loss). The Board expects to publish the Group's audited accounts for this period in late September 2005.

The Board believes that the restructuring of the Group's engineering division which has taken place has created a stable platform from which these businesses can now move forward. The Group's leisure businesses are showing an encouraging improvement in performance and the Board is now evaluating the development and other opportunities that exist in Malta and Tanzania. Discussions with possible developers and financiers are moving forward and studies are being undertaken in both Malta and Tanzania.

Trading in the first three months of the new financial year has been satisfactory, with turnover above that achieved in the corresponding period in 2004 and the Board is positive on the prospects for the Group during the remainder of the year.

## **Possible share reorganisation**

As shareholders are aware, the Board has, in the last two years, taken significant steps to restructure the trading and other activities of the Group. As part of its continuing review of the Group, the Board is currently considering the existing share structure of the Company.

The Board is of the view that a simplified share structure may provide increased market transparency and help create a stronger platform for future development. Accordingly, the Board is actively considering the benefits of moving to one class of share and the methods by which this may be achieved. The Board aims to conclude its deliberations so as to be able to report to shareholders at the next Annual General Meeting.

## **Expected timetable of principal events**

Record Date for the Open Offer	Close of business on 4 July 2005
Latest time and date for splitting of applications	3.00 pm on 26 July 2005
Latest time and date for receipt of completed Application Forms under the Open Offer	3.00 pm on 28 July 2005
Commencement of dealings in the Offer Shares	29 July 2005
Delivery in CREST of Offer Shares subscribed for to be held in uncertificated form	29 July 2005
Despatch of share certificates	4 August 2005

The dates set out above may be adjusted by the Company, in which case details of the new dates will be notified to AIM and, where appropriate, to Shareholders.

## Overseas Shareholders

The Existing Shares and the Offer Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or under the securities legislation of any state of the United States of America, Canada, Australia, Japan, New Zealand or the Republic of Ireland. Accordingly, subject to certain exceptions, the Offer Shares may not, directly or indirectly, be offered or sold within the United States of America, Canada, Australia, Japan, New Zealand or the Republic of Ireland or to or for the account or benefit of any national, resident, or citizen of Canada, Australia, Japan, New Zealand or the Republic of Ireland or any person located in the US A. This announcement does not constitute an offer, or the solicitation of an offer, to subscribe or buy any Offer Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or such solicitation in such a jurisdiction.

## Definitions

Words and expressions as defined in the Circular shall, unless the context requires otherwise, have the same meaning in this announcement.

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31 March 2005

## Disposal of Bute Dry Dock

C.H.Bailey Plc announced today that it has exchanged and completed contracts with the Welsh Development Agency for the sale of the Bute Dry Dock for a cash consideration of £1,800,000. The Bute Dry Dock is situated in the presently undeveloped area of Cardiff Bay. It was previously the Head Office site of CH Bailey Plc and was used by the Group's Ship Repairing Division, which ceased operations in August 2004.

The value of this asset in the Group's interim accounts at 30 September 2004 was £937,000 and the disposal will give rise to a profit on sale, after disposal costs, of approximately £800,000 in the results of the Group for the year to 31 March 2005. The net sale proceeds will be used to reduce the Group's bank borrowings.

Commenting on the sale, Charles Bailey, Chairman and Managing Director, said: "The sale of the Bute Dry Dock represents another significant further step in the ongoing restructuring of the Group, and I believe that the price which has been achieved is a satisfactory outcome for shareholders."

For further information please contact:

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