

**Meriden Group plc**  
**(“Meriden” or the “Company”)**

**Notice of AGM, Proposed Share Capital Reorganisation, Adoption of Investing Strategy**

The Director of Meriden announces that the Company is today posting a circular to its shareholders containing notice of the Annual General Meeting at which, in addition to the customary resolutions, resolutions will be proposed to seek shareholder approval for a share capital reorganisation and for the Company's investment strategy going forwards.

**Share Capital Reorganisation**

The closing mid-market price of an existing Ordinary Share was 0.05 pence on 24 April 2007. The Company's share price is therefore below the nominal value of an Ordinary Share of 0.1 pence each. This prohibits the Company from raising any further equity capital since any further shares would have to be issued at a price at or above the nominal value. In order to assist the Company with its ongoing and future activities, the Board wishes to increase the current authorised share capital of the Company and have the ability to raise further equity finance. Accordingly, it is necessary to reduce the nominal value of the existing Ordinary Shares from the present level of 0.1 pence per share.

It is proposed that:

1. the authorised share capital of the Company be increased from £2,000,000 to £10,000,000;
2. each issued Ordinary Share will be subdivided and reclassified into one New Ordinary Share of 0.01 pence and nine Deferred Shares of 0.01 pence; and
3. each authorised but unissued Ordinary Share will be subdivided into 10 New Ordinary Shares of 0.01 pence.

The rights attaching to the New Ordinary Shares will, save for the change in nominal value and the entitlement of Shareholders in respect of a return of capital or other distributions arising therefrom, be identical in all respects to those of the existing Ordinary Shares.

The Deferred Shares created on the share capital reorganisation becoming effective will have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid up thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £100 per New Ordinary Share. They will in effect be valueless.

No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares, nor will they be admitted to trading on AIM or any other investment exchange. It is the Board's intention, at the appropriate time, to make application to the High Court for the Deferred Shares to be cancelled.

The effect of the Share Capital Reorganisation will mean that each New Ordinary Share held by Shareholders will have a nominal value of 0.01 pence each and the number of shares held by Shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Share Capital Reorganisation should be the same as the market price of an existing Ordinary Share immediately prior to the completion of the Share Capital Reorganisation.

**Investing Strategy**

The Company's shares are currently trading on AIM, but the Company is classified as a non trading shell whilst it attempts to find an opportunity to allow for the relaunch of the Company as a broad based business services Group. The Director has been reviewing potential opportunities and has been actively searching for a business which would allow for this relaunch.

Following the Share Capital Reorganisation, the Directors believes that the Company could be attractive to a number of potential acquisition targets.

The Company will seek to acquire a company or business in the business services sector, for the consideration for which will be satisfied wholly or predominantly by the issue of New Ordinary Shares. The Director intends that the Company should make a single acquisition and the Company will thereafter actively manage the investment. The main investment criteria that will be applied in assessing potential targets are that the company or business: -

- is based in the UK, Europe or North America; and
- has growth prospects which, if achieved, will be earnings enhancing for Shareholders.

The Director will be looking for a business with a proven business model and with strong operational management capable of forming in due course the executive board of the Company.

However, these criteria are not intended to be exhaustive and the Company may make an investment or acquisition which does not fulfil the above criteria if it is believed it is in the interests of Shareholders as a whole to proceed. Any acquisition will be put to Shareholders for their approval at the appropriate time.

Under the AIM Rules, the Company will have to complete a reverse takeover by 8 June 2008 or trading in the Ordinary Shares on AIM will be suspended for up to six months, following which the listing on AIM will be cancelled if a reverse takeover has not been completed by that time.

There is no guarantee that the Company will make a successful acquisition. However, if an acquisition and/or investment is not completed by 8 December 2008, the Director will give Shareholders the opportunity to consider the future of the Company by convening an extraordinary general meeting to consider whether the Company should distribute funds to Shareholders.

### **Recommendation**

The Director recommends Shareholders to vote in favour of the resolutions at the AGM as he intends to do in respect of his own beneficial holding amounting to, in aggregate, 84,500,000 existing Ordinary Shares, representing 24.49 per cent. of the issued share capital of the Company.

### **Notice of Annual General Meeting**

Notice is hereby given that an Annual General Meeting of Meriden Group plc will be held at the Company's offices at Meriden House, 6 Great Cornbow, Halesowen, West Midlands, B63 3AB at 9.00 a.m. on Friday 8 June 2007 for the purposes of passing the following resolutions:

#### **Ordinary resolutions**

1. To review the company's financial statements for the 17 months ended 31 December 2006, the Director's Report and the Auditors' Report thereon.
2. To re-appoint Charles Lovell & Co as auditors and to authorise the Director to fix their remuneration.

3. To increase the authorised share capital to £10,000,000.
4. To approve the investing strategy outlined in this circular.
5. To authorise the Director in accordance with Section 80 of the Act to allot relevant securities up to an aggregate nominal value equal to the authorised but unissued share capital of the Company.

#### **Special resolutions**

6. To sub-divide and re-classify issued existing Ordinary Share into one New Ordinary Shares of 0.01 pence and nine Deferred Share of 0.01 pence.
7. To sub-divide each unissued Ordinary Share into 10 unissued New Ordinary Shares of 0.01 pence each.
8. To amend the Company's Articles of Association pursuant to the Share Capital Reorganisation.
9. To empower the Director pursuant to section 95 of the Act to allot equity securities for cash pursuant to the section 80 authority referred to in Resolution 5 above.

Whether or not Shareholders intend to be present at the meeting, Shareholders are requested to complete their proxy form which should be completed and returned so as to be received by the Company's registrars, Neville Registrars Limited by hand (during normal business hours) at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA or by post at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time fixed for the meeting.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the Annual General Meeting should they so wish.

Unless the context otherwise requires, defined terms used in this announcement shall have the meanings given to them in the circular dated 30 April 2007.

Report and accounts for the period ended 31 December 2006 are being posted with the circular and copies will be available from the website:

[www.meriden-group.co.uk](http://www.meriden-group.co.uk)

For further enquiries, please contact:

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