

Date: 04 September 2006

**Meriden Group Plc (“the Company”)  
Trading Update**

Further to demise of the Home Computer Initiative schemes (“HCI”) and the announcement on 16 June 2006 where the Directors explained that the two Logistics division subsidiaries of Meriden Group Plc were to be placed into administration, the Company has been in negotiations with the residual Logistics creditors, who either have a guarantee from Meriden Group Plc, or whose contracts were underwritten by Meriden Group Plc, to work out a mutually acceptable compromise arrangement.

Whilst 90% of these residual Logistics creditors have agreed to be bound by this proposed arrangement, one creditor, Seafrance SA (“Seafrance”) has to date rejected participating in the proposed arrangement, although negotiations are still underway with their legal advisors.

The Directors are hopeful that these negotiations with Seafrance can be resolved positively in order for all of the residual Logistics creditors to be bound under the proposed compromise agreement. However, Seafrance has taken the step of issuing a winding up petition against the Company.

Accordingly, should the negotiations with Seafrance prove to be unsuccessful then it is likely that the Directors will be forced to make an application to the court for the Company to be placed into administration and propose a formal corporate voluntary arrangement amongst creditors to enable the Company to continue trading in the future.

Further announcements will be made in due course.

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