

26 September 2005

Rotala plc

The board of Rotala plc ("Rotala" or the "Company") announces an update on matters relating to the recent acquisition by Rotala of the Flights Group and an update on recent trading and operational developments.

Flights Group and Central Parking System of UK Limited ("CPS")

The Company's admission document dated 9 August 2005 described the businesses acquired as part of the Flights Group. This document also identified that the disentanglement of the Flights Companies from CPS might result in certain logistical and other issues which could absorb management time and involve costs and expenses being incurred by the Company.

In an announcement made very recently by the parent company of CPS, Central Parking Corporation ("CPC"), in conjunction with a tender offer, CPC stated that it had become aware of issues concerning certain related party transactions and accounts receivables in its UK operations and that there might be a resultant negative financial impact to CPC relating to these matters, which currently it could not quantify.

Furthermore, the board of Rotala has been informed by CPC that these investigations partly involve the seller of the Flights Group, Stuart Lawrenson. Mr Lawrenson was Senior Vice President, Europe, of CPS until August 2005 and became a non-executive director of Rotala upon completion of the acquisition of the Flights Group on 30 August 2005.

To the extent (if at all) that Rotala suffers any material prejudice as a result of matters arising out of any such investigation, it has notified Mr Lawrenson that it has a number of potential warranty and indemnity claims under the original acquisition agreements entered into with him, among others. It should also be noted that the Company has the right to offset any such claims against the loan note consideration and any deferred share consideration which might otherwise have become payable.

Update on trading and operations

Further to the statements relating to the prospects and trends of the Flights Group set out in the Company's Admission Document dated 9th August 2005, we are pleased to confirm that turnover has continued to be increased both by organic growth generated by existing contracts and by the addition of recent new contract wins. The Board is mindful of the need to continue to improve vehicle productivity and to enhance the utilisation of the solid operational base that has been created. Naturally, the increase in fuel prices causes a problem in common with other operators. The management is endeavouring to increase the use of fuel price protection clauses across the Company's business base.

The Company also announces that Kim Taylor, the Finance Director, will take over the post of Chief Executive Officer for the time being and that a search has been commenced for a group chief operating officer. It is intended that a Group Financial Controller will be appointed shortly. Stuart Lawrenson will remain as a non-executive director of the Company for the time being.

Further announcements relating to the above matters will be made in due course.

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