

Press Release

25 November 2005

Rotala plc ("Rotala" or "the Company")

Further to the announcement made on 26 September 2005, the Company wishes to update shareholders on recent developments.

Current trading

In the above announcement, the Company stated that turnover had continued to grow. This trend continues; however the Company has through the acquisition of the Flights Companies inherited what have transpired to be a number of unsatisfactory and uneconomic commercial arrangements which have proved more problematic than originally anticipated. This may therefore result in a larger loss for the current financial period than expected originally and this will have an adverse effect on the financial results for 2005 and 2006 until such arrangements can be re-negotiated. The Company wishes to emphasise that at the point of acquisition, no cash was paid to the vendor, and in fact all of the initial consideration comprised shares which are the subject of non-disposal undertakings, and furthermore the vendor, a company controlled by Stuart Lawrenson, gave extensive warranties and indemnities in relation to the business. The Directors have advised the vendor that they intend to pursue such claims. As previously noted such claims can also be set against the loan note consideration, which has not matured, and the Directors do not expect this to be payable. Likewise, it is extremely unlikely that the deferred share consideration, which was contingent upon a threshold profitability, will be payable.

A further update on trading will be made shortly.

Potential claims by Central Parking Corporation ("CPC")

The Company informed shareholders in the previous announcement of certain problems that had arisen in relation to CPC, the parent of the former employer of Stuart Lawrenson, the vendor of the Flights business.

Since that time the Company has been engaged in constructive discussions with CPC to complete the unwinding of inter-company balances and other disentanglement issues. The Directors are reasonably confident that this situation can be resolved on an amicable basis over the next few months and it should be noted that no legal proceedings have been initiated by CPC against the Company. Should settlement discussions with CPC not be concluded amicably and if any proceedings were commenced against Rotala, these would be vigorously resisted. The Directors intend to update the market as and when a final determination of this matter is arrived at. Any potential damage to the Company resultant from these issues is also the subject of the proposed warranty and indemnity claims against Stuart Lawrenson referred to above.

Potential equity fundraising

As a result of the increased turnover of the Company (including the tendering

for, and servicing of, potential new contracts which involves considerable expense), the continuing losses and the diversion of efforts resultant upon the problems with Stuart Lawrenson and CPC, the Directors consider that it is prudent to augment the working capital requirements of the Company. The Company has been successful in negotiating improved banking facilities to cover working capital requirements, leasing finance and the potential acquisition of new contracts. Notwithstanding this the Directors have determined that new equity funding should be raised of between £600,000 and £1,200,000. It is proposed that the Directors will underwrite £600,000 of such issue.

Further details of the proposed fundraising are expected to be announced shortly and it is expected that the issue price would be at a significant discount to the current middle market price.

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