

Rotala plc
(“Rotala” or “the Company”)

Placing of new shares to raise £1.58million

The board of Rotala is pleased to announce that it has raised approximately £1.58 million (before expenses) in a placing with investors (“the Placing”). The funds will enable Rotala to continue with its planned acquisition strategy and will augment its working capital resources.

Details of the Placing

Rotala has conditionally placed 79,050,000 new ordinary shares of 1p each (“Ordinary Shares”) (“the Placing Shares”) at 2.0 pence each (“the Placing Price”) to raise £1,581,000 (before expenses). The placing is being arranged by Ludgate Investments Limited (“Ludgate”) with its clients. Of the total number of Placing Shares, 43,296,200 shares have been placed subject only to admission to trading on AIM, which is expected to take place today (“the tranche A shares”) and 35,753,800 shares have been placed subject, inter alia, to shareholder approval to be sought at an EGM (“the tranche B shares”). A letter will be posted to shareholders later today convening an EGM for 27 October 2006.

Before the Placing, the issued ordinary share capital amounted to 288,641,027 ordinary shares. After admission of all of the Placing Shares the issued share capital will be 367,691,027 ordinary shares. The Placing Shares are equivalent to approximately 21.5% of the enlarged ordinary share capital.

Certain directors have participated in the Placing to the extent of 31,125,000 Placing Shares at the Placing Price, equivalent to a subscription of £622,500. Details of the placing commitments and the interests of the directors and their connected persons in the ordinary share capital of the Company as at admission are set out below:

	Placing Shares at 2.0p per share	Following the Placing Shares held (excluding options)	%
John Gunn * (1)	23,000,000	75,005,000	20.4
Nick Kennedy **	500,000	3,346,227	0.9
Kim Taylor	500,000	500,000	0.1
Geoff Flight***	6,250,000	23,091,667	6.3
Simon Dunn	875,000	875,000	0.2

* includes Mrs R. S. Gunn, Wengen Pension Plan and the Gunn Trusts

** includes Mr Kennedy’s pension fund

*** includes Mr Flight’s pension fund

(1) John Gunn holds his shares through W B Nominees Ltd, as shown below.

In addition, as a result of the Placing the Company is aware of the following persons (other than the directors and their connected persons set out above) who will be significant shareholders (being holders (directly or indirectly) of more than 3 per cent. or more of the Company’s issued ordinary share capital):

	Placing Shares at 2.0p per share	Following the Placing Shares held	%
Capital Management & Trust	12,500,000	12,500,000	3.40

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A Hughes Esq	7,500,000	17,500,000	4.76
W B Nominees Ltd (1)	34,500,000	174,193,908	47.37

(1) includes the holding of John Gunn, as shown above. W B Nominees Ltd acts as bare nominee for underlying shareholders in respect of all the Ordinary Shares registered in its name. W B Nominees Ltd does not exercise any discretion over the said shareholdings or voting rights.

As consideration for its services to the Company, Ludgate will receive a fee of 5 per cent. of the amount raised by Ludgate in the Placing and a corporate advisory fee of £15,000. John Gunn, the Non-executive Chairman of Rotala, is a shareholder in Ludgate Investments Ltd.

PURPOSE OF THE PLACING

Rotala intends that the new funds will be used primarily to finance acquisitions. In the interim results of the group published on 30 August 2006, the board reiterated its opinion that the many small businesses in the bus and coach operator sector offer significant opportunities to a consolidator such as Rotala. This is particularly the case in Birmingham where Rotala completed the acquisition of its 4.5 acre freehold depot in April 2006 for £2.0 million. The depot offers considerable scope for expansion. The board is currently seeking to acquire local operators in circumstances where it can quickly achieve economies of scale by increasing operations from the site and eliminating duplicated overheads. The board is therefore in discussions with a number of such companies, and hopes to be able to announce the first such acquisition shortly.

The balance of the new funds will be used to augment the working capital resources available to the Company.

Contacts:

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