

16 May 2007

Hightex Group plc ("Hightex" or the "Company")

Chairman's AGM statement

At the Company's Annual General Meeting held this morning, Mr Charles DesForges, Chairman, said:

"Since the year end, I am pleased to report that good progress has been made both in developing the core membrane business and establishing the foundations of the solar energy operation. A significant step was taken in 2006 by setting up a US subsidiary company in order to enter the North American market with its large potential for our Membrane business. Significant contract opportunities have already been identified with a view to signing contracts during the course of 2007.

Another important development has been made in South Africa. A South African subsidiary company has been established to allow Hightex to bid for stadium projects related to the 2010 FIFA World Cup competition. A letter of intent has been signed with Circle Capital, a financial company based in Cape Town and led by Mr Hlumelo Biko, whereby Circle Capital will be invited to acquire a minority shareholding in the South Africa company and will materially assist Hightex in addressing this expanding market both in terms of structural membranes and the application of solar energy solutions to the problems of making efficient use of alternative energy sources in southern Africa.

I am pleased to report that solid progress has been made in both of our business areas. The Membrane business has already achieved sales in the year to date greater than in the whole of 2006. We have identified a number of project opportunities in various countries, which have led to the submission of contract bids, which, if successful, would increase significantly the turnover for the balance of 2007 and in 2008.

On the solar side of the business, Hightex has signed a letter of intent regarding the development of flexible solar cells for exclusive use in conjunction with membrane materials so as to provide both structural and energy-development features within an architectural "Envelope". Additionally, a prototype machine has been constructed and installed at the company's premises in Germany, which can use solar energy to either heat or cool a contained space. This unit allows the company both to demonstrate the practical reality of using solar energy and to evaluate its potential economic value to customers.

Hightex plans to exploit this synergy between architectural membrane and solar technology, so as to provide intelligent solutions to the problems and opportunities presented by the demand for energy-

efficient buildings.

We believe that the economic outlook for both the membrane and solar businesses is most promising as they address matters of increasing importance to society. I am confident that the skilled and dedicated people led by an experienced executive team, which make up the Hightex Group, will grasp these opportunities by building on our strengths, expanding our business by successfully entering new markets using innovative technology and thereby create value for all our stakeholders. I look forward to reporting to you on these developments in the years ahead."

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