

Hightex Group plc

("Hightex" or "the Group")

**Placing to raise approximately £2.7 million
and
Notice of General Meeting**

Hightex Group plc (AIM:HTIG), a leading designer and installer of large membrane roofs and façades worldwide, announces today that it proposes to raise approximately £2.7 million (before expenses) by the issue of 38,214,291 New Ordinary Shares at 7 pence per New Ordinary Share. The Placing comprises an initial placing of 32,658,641 New Ordinary Shares and a further placing of 5,555,650 New Ordinary Shares which is conditional on, inter alia, the passing of the Resolutions to be proposed at the General Meeting.

The net proceeds of the proposed Placing are expected to amount to approximately £2.5 million and will be used to:

- strengthen the balance sheet
- provide working capital to fund future growth

The Company is to seek shareholder approval for the placing at a General Meeting ("GM") to be convened for 9.30 a.m. on 21 December 2009 at the offices of FinnCap, 4 Coleman Street, London EC2R 5TA.

Commenting on the placing, Charles DesForges, Executive Chairman of Hightex Group plc, said: "Hightex has performed extremely well this year. The strategic change focusing on large, high margin contracts has been a success and the Group has returned to profit for the first time since flotation. The second half of this year has seen two significantly high profile contract wins: these are the Warsaw and Kiev contracts, which have a combined value in the region of €32 million. The funds raised by this placing will strengthen the balance sheet, provide additional working capital and help to ensure that Hightex can win further high value contracts and continue its current growth momentum."

Copies of the Circular convening the GM will be posted to Shareholders today and will be available from Hightex's website in accordance with Rule 26 of the AIM Rules for Companies www.hightexworld.com

- Ends -

For further information:

Hightex Group plc

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Notes to Editors

Hightex Group is a specialist provider of large area architectural membranes for roofing and façade structures. The membranes are typically used in roofs and façades for sporting stadiums and arenas; airport terminals; train stations; shopping malls and other buildings. This type of structure is a competitive alternative to glass as it is cheaper, lighter, and safer as well as being flexible to create complex shapes and it can span larger areas. Hightex uses environmentally friendly materials and is focussed on innovative technology and coatings, which help to reduce a building's energy costs.

Hightex, one of only two international companies to design and install these structures worldwide, has been involved in the construction of a number of very high profile buildings including The Wimbledon centre court retractable roof, the Burj al Arab Hotel in Dubai, Bangkok Airport's new terminal and the grandstand roof at Ascot Race Course.

The global market for membrane structures is estimated by the Hightex directors to approach around €350 million a year, and is growing as a result of the demand for energy efficient buildings and the popularity and cyclical nature of sporting events, which give rise to a continuing need for upgraded and new buildings and stadiums.

Headquartered in Rimsting, Germany the Group employs approximately 45 people and is listed on the AIM market of the London Stock Exchange (LSE: HTIG). Further information on Hightex Group plc can be found at www.hightexworld.com

The following information is extracted from a circular to Shareholders (the "Circular") expected to

be posted today. Copies of the Circular will be available at the offices of FinnCap (4 Coleman Street London EC2R 5TA) upon request. Definitions used in the Circular apply in this announcement unless the context otherwise requires.

**Placing to raise approximately £2.7million
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Notice of General Meeting**

Hightex Group plc (AIM:HTIG), a leading designer and installer of large membrane roofs and façades worldwide, announces today that it proposes to raise approximately £2.7 million (before expenses) by the issue of 38,214,291 New Ordinary Shares at 7 pence per New Ordinary Share. The Placing comprises an initial placing of 32,658,641 New Ordinary Shares and a further 5,555,650 New Ordinary Shares which is conditional on, *inter alia*, the passing of the Resolutions to be proposed at the General Meeting.

Background

During 2008, Hightex successfully altered its business model, concentrating on a smaller number of larger projects with higher margins whilst significantly reducing overhead expenditure. The interim results showed a return to profitability for the first time since flotation in 2006. The Company also announced that full year revenues for 2009 were expected to approach €20 million, underpinned by the €8.2 million contract for the refurbishment of the roof system of the Munich Olympic Hall and by continuing work on the Johannesburg and Cape Town stadia for the FIFA 2010 World Cup Football competition.

Furthermore, in August 2009, Hightex announced that it had been awarded the contract to supply the roof system for the new National Stadium in Warsaw, Poland for a total contract value of approximately €13 million, and, in October 2009, Hightex announced a further contract win to supply the membrane roof and the installation of the cable system for the Olympic Stadium in Kiev, Ukraine. The total value of the Kiev contract is approximately €18.9 million, and it is therefore the largest contract win ever achieved by Hightex.

As Hightex progresses and continues to win such significant contracts, it will increasingly require additional working capital. In particular, the Company has a requirement to provide performance and warranty bonds in respect of each contract undertaken, which in aggregate typically amount to 10 per cent. of the total contract value. Such bonds are secured by placing cash in escrow accounts and are typically released back to the Company in stages over two years. The Directors of Hightex are exploring an insurance solution which may replace some or all of the requirement to place cash in such accounts.

The Directors also believe that a stronger balance sheet will greatly aid the Company in tendering for additional contracts, whilst it looks to grow not only in absolute terms, but also its share of a growing market.

The Net Proceeds of the Placing are expected to amount to approximately £2.5 million and will be used, as described above, to strengthen the balance sheet and fund future growth.

Current Trading and Future Prospects

In general, the Board believes that the market for membrane solutions on large area structures is growing and that this growth is driven by a number of factors, including:

- the recurrence of major worldwide sporting events (for example the Olympic, Commonwealth and other games, such as FIFA and UEFA World Cup Football competitions and Rugby World Championships) which typically give rise to a need to build new, or upgrade existing, stadia;
- the growing acceptance of membrane as the modern material for large area structures (frequently replacing glass) for use in public buildings such as airports, rail stations and shopping malls. In these applications, membrane solutions can be not only cheaper and lighter than glass, but also safer (for example to meet security concerns) and more energy efficient (especially with the application of advanced coating technologies); and
- the development of new applications for membrane solutions such as for façades as well as roofs.

If Hightex achieves its revenue target of some €20 million for the year ended 31 December 2009, as stated above, this will represent growth of some 28 per cent. in its membrane business compared with the previous year. As also stated above, the Company has grown significantly and won several sizeable contracts over the last six months, in particular the Warsaw and Kiev contracts which have a combined value in the region of €32 million. In addition, Hightex announced in its interim results statement that it had tendered for a sizeable contract for a membrane roof in North America. The result of this tender is expected shortly. These contracts together with other smaller contracts and the possibility of further larger contract wins not yet announced, should lead to further significant revenue growth in 2010 as well as providing visibility of revenues into 2011.

In the opinion of the Directors, Hightex enjoys a reputation for understanding the needs of its clients, for technical excellence and for innovative solutions, including embedded energy efficiency and the use of advanced coatings.

The Board believes that with the benefit of the Placing proceeds, the Company will be well placed to continue to win and successfully complete existing and future contracts and to grow its market share.

Details of the Placing and Directors participation

The Placing comprises an initial placing of 32,658,641 New Ordinary Shares and a further placing of 5,555,650 New Ordinary Shares which is conditional on, *inter alia*, the passing of the Resolutions to be proposed at the General Meeting of the Company. All the New Ordinary

Shares have been placed at the Placing Price with existing institutional shareholders and other new investors, including certain Directors who will subscribe directly to Hightex for their Ordinary Shares. Subject to the passing of the Resolutions, the Placing as a whole will raise proceeds of £2.675 million, before expenses, for the Company. The New Ordinary Shares will represent approximately 20.3 per cent. of the Enlarged Issued Share Capital.

Certain Directors have agreed to subscribe for New Ordinary Shares under the Placing as follows:

Director	Number of Existing Shares currently held	Number of New Ordinary Shares conditionally subscribed for	Percentage of Enlarged Issued Share Capital
Charles DesForges	1,100,750	299,250	0.75
Charles Sebag-Montefiore	3,250,750	520,686	2.01
Frank Molter	4,128,000	300,000	2.36
David Walker	4,128,000	150,000	2.28

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the Initial Placing Shares will become effective and dealings commence at 8.00 a.m. on 9 December 2009 and, subject to the passing of the Resolutions, Admission of the Conditional Placing Shares will become effective and dealings commence at 8.00 a.m. on 22 December 2009.

In respect of the placing, the Company has agreed to issue Ludgate up to 1,910,714 and FinnCap up to 750,000 warrants exercisable at 7 pence each at any time up to 31 December 2012. Under the terms of its engagement letter dated 27 May 2009, Ludgate has been issued 1,436,525 warrants in respect of the placing by the Company which raised £861,915 in June 2009. These warrants are exercisable at 3 pence each at any time up to 30 June 2012.

PLACING STATISTICS

Placing Price	7p
Number of Existing Shares	149,633,098
Number of New Ordinary Shares being placed on behalf of the Company	38,214,291
Number of Ordinary Shares in issue following Admission of the New Ordinary Shares	187,847,389
Estimated net proceeds of the Placing receivable by the Company	£2.5 million
Number of New Ordinary Shares as a percentage of the Enlarged Issued Share Capital	20.3 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and commencement of dealings in Initial Placing Shares	8.00 a.m. on 9 December 2009
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CREST accounts credited with Initial Placing Shares	9 December 2009
Despatch of definitive share certificates for Initial Placing Shares	By 21 December 2009
Latest time and date for receipt of Forms of Proxy for the General Meeting	9.30 a.m. on 17 December 2009
Date and time of General Meeting	9.30 a.m. on 21 December 2009
Admission and commencement of dealings in Conditional Placing Shares	8.00 a.m. on 22 December 2009
CREST accounts credited with Conditional Placing Shares	22 December 2009
Despatch of definitive share certificates for Conditional Placing Shares	By 15 January 2010

Each of the above times and dates is indicative only and subject to change. If any details in the above timetable should change, the revised times and dates will be notified to Shareholders by means of an announcement made through a Regulatory Information Service. References to times in this document are to London time. All events listed in the above timetable which follow the General Meeting are conditional on the passing of the Resolutions.

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

'Act'	the Companies Act 2006
'Admission'	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
'AIM'	the AIM market operated by the London Stock Exchange
'Board' or 'Directors'	the board of directors of the Company from time to time
'Company' or 'Hightex'	Hightex Group plc, a company incorporated in England and Wales with registered number 5860429
'Conditional Placing Shares'	the 5,555,650 New Ordinary Shares which are the subject of the Conditional Placing
'Conditional Placing'	the placing of 5,555,650 New Ordinary Shares which are expected to be allotted immediately after the General Meeting and admitted to trading on AIM on 22 December 2009
'CREST'	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form (as defined in the CREST Regulations)
'CREST Regulations'	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force

'Enlarged Issued Share Capital'	the enlarged issued share capital of the Company immediately following the Placing
'Existing Shares'	the 149,633,098 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
'FinnCap'	JMFinn Capital Markets Limited, the Company's nominated adviser and broker which is incorporated in England and Wales with the registered number 06198898
'Form of Proxy'	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document
'General Meeting'	the general meeting of the Company convened for 9.30 a.m. on 21 December 2009 at which the Resolutions will be proposed, notice of which is set out at the end of this document
'Initial Placing'	the placing of 32,658,641 New Ordinary Shares which are expected to be admitted to trading on AIM on 9 December 2009
'Initial Placing Shares'	the 32,658,641 New Ordinary Shares which are the subject of the Initial Placing
'London Stock Exchange'	London Stock Exchange plc
'Net Proceeds'	the net proceeds of the Placing after expenses estimated to be approximately £2.5 million
'New Ordinary Shares'	the 38,214,291 New Ordinary Shares to be issued pursuant to the Placing
'Notice of General Meeting'	the notice of General Meeting set out at the end of this document
'Ordinary Shares'	ordinary shares of 1 penny each in the capital of the Company
'Placing'	the placing to certain institutional and other investors of the New Ordinary Shares at the Placing Price pursuant to the Placing Agreement, of which 32,658,641 comprise the Initial Placing and 5,555,650 comprise the Conditional Placing
'Placing Price'	7 pence per New Ordinary Share
'Resolutions'	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting to authorise the allotment of shares in the Company non-pre-emptively
'Shareholder'	a holder of Existing Shares
'UK' and 'United Kingdom'	the United Kingdom of Great Britain and Northern Ireland

This information is provided by RNS
The company news service from the London Stock Exchange

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