

26 April 2007

**Reflec Plc**  
(‘Reflec’ or ‘the Company’)

**Trading Update and Results of EGM**

The board wishes to announce that results for the year ended 28 February 2007 are in line with management's expectations. The final results for the year ended 28 February 2007 will be released to the market in late July 2007. The Company will also announce a significant business development in the coming days.

Furthermore, at the Company EGM held earlier today, all resolutions were duly passed.

Resolution 1, relating to the consolidation of the Company's share capital, was recommended and has now been approved. Essentially, every 50 issued and unissued ordinary shares of 5 pence each in the capital of the Company shall be consolidated into 1 ordinary share of 37.5 pence. This will reduce trading costs for shareholders without having an adverse effect on liquidity. The Board believes it may also provide increased stability to the stock, whilst reducing volatility.

Resolutions 2 approved the cancellation of the Company's share premium account, which as at 31 August 2006 amounted to £13,749,000. The reserve balance, created by the cancellation and subject to the protection of creditors, will be utilised to eliminate the deficit on the Company's profit and loss account. The new balance will create a distributable reserve available for corporate purposes of the Company including inter alia to fund market purchases of the New Ordinary Shares or, more particularly, to enable the Board to give consideration to the payment of dividends at a future date.

Cancellation of the Company's share premium account will be conditional upon the approval of the High Court. As soon as practicable after announcement of the Group's final results for the year ending 28 February 2007, the Company will apply to the High Court for its approval.

The High Court's main concern will be to protect the interests of creditors of the Company as at the date on which the cancellation of the share premium account becomes effective, (the date on which the order is registered with the Registrar of Companies). The precise form of creditor protection will be for the High Court to stipulate and the Company will take such steps as it thinks appropriate in order to satisfy the High Court in that regard.

Pursuant to the share consolidation, application has been made to the London Stock Exchange for 11,175,852 ordinary shares of 37.5 pence each ('New Ordinary Shares') arising on the consolidation to be admitted to trading on AIM. It is expected that dealings in the New Ordinary Shares will commence on 27 April 2006

*Enquiries*

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