

Capcon Holdings PLC
20 November 2007

Capcon Holdings plc

('Capcon' or the 'Company')

As referred to in the annual Report and Accounts for the year ended 30 September 2006 and in the Interim Statement for the six months ended 31 March 2007, Capcon is defending proceedings that were issued and served on the Company in March 2007 by three of the vendors from whom it purchased the entire issued share capital of Argen Limited, pursuant to an acquisition agreement dated 23 January 2003 (the 'Acquisition Agreement'). The vendors have issued proceedings claiming entitlement to receive and be paid further consideration, which they claim is owing under the Acquisition Agreement. Capcon is vigorously defending these proceedings and counterclaiming for significant damages. The trial of the claim and counterclaim has been listed for the week of 7 July 2008.

In a recent hearing the court identified the issues which it will determine at the trial including disputed facts, the interpretation of the Acquisition Agreement and possibly a historical valuation of Capcon Argen Limited. The court's rulings on those issues will determine the outcome of the Parties' claims and counterclaims. For that reason, Capcon cannot, at this stage, quantify the possible outcome of the proceedings.

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