

Capcon Holdings PLC
27 December 2006

PRESS RELEASE

FOR IMMEDIATE RELEASE

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CAPCON HOLDINGS

HALTS TALKS

On 29th September 2006 Capcon Holdings plc, the AIM-listed investigations, auditing and stocktaking group, announced, as part of a trading statement, that it was in negotiations with a team of principals who would inject new management, additional clients and fresh capital into the business. These negotiations, which were held with Mr Charles Blackmore, who was to become CEO designate and who was to join the Board of Capcon together with two other executives, have proved unsuccessful and have now been terminated by the Company.

Since Capcon brought these talks to a close, the directors have been implementing the central cost reductions planned and have concentrated on maintaining the necessary levels of working capital for the business to continue to trade successfully. The Group has the continuing support of its major shareholders and trade creditors, including its bankers. It remains in separate discussions with the vendors of Argen, regarding payment of the disputed deferred consideration.

With this support and the significant cost reductions already beginning to bear fruit, the directors are confident that Capcon will be able to trade its way back to financial health.

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