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## **BIDTIMES PLC** **(“Bidtimes” or the “Company”)**

### **Proposed capital reorganisation and proposed sale of investment properties**

Bidtimes today announces that a circular has been sent to shareholders today convening an extraordinary general meeting to be held on 8 December 2006. The circular sets out the terms of a proposed capital reorganisation (“Capital Reorganisation”) and a proposed sale of investment properties to a director of the Company (the “Disposal”).

#### **Disposal of Freehold Investment Properties**

The audited accounts for the year ended 28 February 2006 were not completed within the deadline set by the AIM rules, due to the raising of an audit issue over the potential going concern of the Company for the next 12 months, which arose as a result of the expiry of the Company’s mortgage facilities on 31 August 2006. The Bidtimes’ directors, having signed these accounts, wish to put a proposal to shareholders which would address this going concern issue.

All the Company’s remaining four freehold investment properties (other than Erdington) have been occupied by tenants since the arrangement with Barratt Homes ceased throughout 2005, however, the net rental income generated from these is currently insufficient to cover the mortgage interest payments. The board of directors therefore resolved to dispose of the investment properties at the earliest opportunity. Mr Russell Stevens, the Chairman of the Company, has entered into a proposal to the Company to purchase three of the four freehold investment properties (89a Waterfall Lane, Cradley Heath, 91 Waterfall Lane, Cradley Heath and 47 Scholars Walk, Devon) from the Company, subject to shareholder approval, for a cash consideration of £620,000.

The independent directors, being Mr Brent Fitzpatrick and Mr Richard Griffiths, have obtained an independent valuation of the properties which aggregates to £620,000. The proceeds of the transaction will be applied in extinguishing the outstanding mortgage.

The Directors have also accepted an offer, subject to contract, of £168,000 for the freehold property located in Erdington, Birmingham.

The aggregate rental income generated by the investment properties that are the subject of the Disposal, when taken with the rental income from properties sold earlier this year, represents more than 75 per cent. of the turnover of the Company for the year ended 28 February 2006 and consequently, under the AIM rules, the Disposal will result in a fundamental change in the business of the Company.

The Disposal is conditional, *inter alia*, on the passing of Resolutions to be proposed at an extraordinary general meeting to be held on 8 December 2006.

#### **Investing Strategy**

Following the Disposal and the Capital Reorganisation, the directors of Bidtimes believe that the Company could be attractive to a number of potential targets/investments.

The Bidtimes directors intend to seek to acquire another company or business in exchange for the issue of ordinary shares in the Company in a single transaction (a “reverse takeover”). The Bidtimes directors’ main investment criteria are: -

- the Leisure and Entertainment sector within the UK, Europe or North America; and
- businesses whose growth prospects, if achieved, will be earnings enhancing for shareholders of the Company.

However, these criteria are not intended to be exhaustive and the Company may make an investment which does not fulfil all the investment criteria if they believe it is in the interests of shareholders of the Company as a whole to proceed with such an investment. Any acquisition of the Company will be put to Bidtimes shareholders for their approval at the appropriate time.

Under the AIM rules, the Company will have to complete a reverse takeover by 8 December 2007 or trading in the ordinary shares of the Company on AIM will be suspended for up to six months, following which the listing on AIM will be cancelled if a reverse takeover has not been completed by that time.

There is no guarantee that the Company will make a successful acquisition. However, if an acquisition and/or investment is not completed by 8 June 2008, the Directors will give Bidtimes shareholders the opportunity to consider the future of the Company by convening an extraordinary general meeting to consider whether the Company should distribute funds to its shareholders.

### **Share Capital Reorganisation**

The closing mid-market price of an existing ordinary share in the Company was 2.5 pence on 31 August 2006, being the last practicable date prior to the suspension of the Ordinary Shares from trading on AIM. The Company’s share price is therefore below the nominal value of an ordinary share of 5 pence. This prohibits the Company from raising any further equity capital since, in order to comply with the Companies Act 1985 (as amended), any further shares would have to be issued at a price at or above the nominal value. In order to assist the Company with its ongoing and future activities, the Board wishes to have the ability to raise further equity finance. Accordingly, it is necessary to reduce the nominal value of the existing ordinary Bidtimes’ shares from the present level of 5 pence per share.

It is proposed that:

1. each issued ordinary share in the Company will be subdivided and reclassified into one new ordinary share (“New Ordinary Share”) in the Company of 0.5 pence and one deferred share of 4.5 pence in Bidtimes (“Deferred Share”); and
2. each authorised but unissued ordinary share in the Company will be subdivided into 10 New Ordinary Shares.

The rights attaching to the New Ordinary Shares will, save for the change in nominal value and the entitlement of Bidtimes’ shareholders in respect of a return of capital or other

distributions arising therefrom, be identical in all respects to those of the existing ordinary shares in the Company.

The Deferred Shares created on the Capital Reorganisation becoming effective will have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid up thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £100 per New Ordinary Share. They will in effect be valueless.

No share certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Bidtimes' shareholders be credited in respect of any entitlement to Deferred Shares, nor will they be admitted to trading on AIM or any other investment exchange. It is the Board's intention, at an appropriate time, to make application to the High Court for the Deferred Shares to be cancelled.

The effect of the Capital Reorganisation will mean that each New Ordinary Share held by shareholders in the Company shall have a nominal value of 0.5 pence each and the number of shares held by Bidtimes' shareholders shall remain the same. Consequently, the market price of a New Ordinary Share immediately after the completion of the Capital Reorganisation should be the same as the market price of an existing ordinary share in the Company immediately prior to the completion of the Capital Reorganisation.

**Enquiries:**

Russell Stevens

0121 504 0992

**Bidtimes Plc**

David Worlidge/Simon Clements

020 7628 2200

**John East & Partners Limited**