

## **Subsidiary IPO**

### **LONDON & BOSTON INVESTMENTS PLC ( 'L&Bi' or 'the Company' )**

London & Boston Investments Plc is pleased to announce that the Board has decided to actively seek admission to the AIM Market for its wholly owned subsidiary PSG (Franchising) Ltd (PSG). The Board have received an initial indication of value for PSG for an IPO in current market conditions with a range of £15 million to £18 million. This compares with the market capitalisation of L&Bi of £9.2million.

As previously stated, the Board of L&Bi has focussed its strategy on acquiring profitable businesses which it believes can be value enhanced through the addition of its centralised managerial and marketing resources. The policy of the Board is to keep its subsidiaries under review and to seek a flotation for a business where and when it considers that to be appropriate.

Having worked closely with PSG and its franchisees the Board believes the business has been substantially developed with, amongst other initiatives, the introduction of several new products, pricing packages, marketing techniques and increased market share. As such before Group management charges, PSG made a profit in the year to 31/3/2005 of £2m EBIT (Earnings Before Interest and Tax) and is ahead of its budget for the six months to 30/09/2005 at £1.2m EBIT on the same basis.

Shareholders will be kept fully informed with developments and it is intended that the Group's Interim figures for the six months ended 30th September 2005 will be released on Monday 24th October 2005.

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