

1 April 2009

LUPUS CAPITAL plc (the "Company")

Banking Arrangements

As announced in the Pre Close Trading Statement on 27 February 2009, the Company is currently in discussions with its bankers in relation to renegotiating its debt facilities and associated banking covenants to more appropriate levels.

Yesterday, the Company made interest payments on its debt but decided against making the amortisation payment on one of its debt facilities pending reaching agreement with its bankers on a revised amortisation profile. This resulted in a breach of that facility and triggered a default under the Company's other debt facility, solely as a result of the cross default provisions. The Company fully intends to meet its payment obligations on its other facility when it falls due at the start of April.

The Company had requested that the banks allow it to defer the payment, pending completion of the ongoing discussions. The deferral was requested to allow the Company's operating businesses working capital flexibility. Unfortunately the Company was not able to reach agreement with the entire banking syndicate before the breach occurred.

Discussions continue with the Company's bankers and the Company will keep the market informed on the outcome of negotiations. This is expected to be completed during April 2009.

Ends.