

General Industries plc

Directors' Report and Financial Statements

31 March 2008

Registered number 05679987

Contents

	Page
Chairman's Statement	1
Directors and Advisers	2
Report of the Directors	3
Statement of Directors' Responsibilities	5
Independent Auditor's Report to the Members of General Industries plc	6
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement	10
Notes	11
Notice of Annual General Meeting	17
Form of Proxy	19

Chairman's Statement

Dear Shareholder

General Industries plc is quoted on PLUS Markets with a strategy to acquire one or more growing, unquoted companies that wish to seek capital for expansion of their business and a public market for their shares.

During the year potential acquisitions in the technology and IT services, human resources and specialist chemical sectors were assessed. Discussions with one of the companies has continued, further details of which are given below.

Financial

For the year ended 31 March 2008 turnover was £nil (period to 31 March 2007: £nil). Profit before taxation was £15,312 (period to 31 March 2007: £27,167) and comprised interest from cash on deposit of £56,348 (period to 31 March 2007: £49,091) less administrative expenses of £41,036 (period to 31 March 2007: £21,924). Profit after taxation amounted to £8,709 (period to 31 March 2007: £22,924). Earnings per share was: basic 0.09p; and diluted 0.08p (period to 31 March 2007: basic 0.26p; and diluted 0.25p).

As at 31 March 2008 the company's cash deposits amounting to £1,018,106 (period to 31 March 2007: £1,004,377) were placed on short term bank deposit with the interest rate linked to base rate.

Dividend

The directors do not intend to declare a dividend in the short term.

Outlook

As reported at the half year, further due diligence has been undertaken with regards to a specialist chemicals group which manufactures natural and non toxic products. At the time of writing this report further information is being obtained and should agreement be reached, an appropriate announcement will be made. Other suitable acquisitions continue to be analysed.

Your directors undertook to seek shareholders' approval on an annual basis for the continued pursuit of their investment strategy in the event that a material investment had not been made within one year following admission to PLUS Markets of the company's ordinary shares. A resolution (being resolution 4 as set out in the Notice of Annual General Meeting on page 17) is to be placed before shareholders at the forthcoming Annual General Meeting seeking that consent. Your directors believe that it is in the best interests of the company and recommend you vote in favour, as they will in respect of their combined holdings of 31.9% of the issued share capital of the company.

Your directors recognise that under certain circumstances, it may be in the best interests of the company to make purchases of its own shares. With this in mind your directors intend to renew a special resolution (being resolution 7 as set out in the Notice of Annual General Meeting on page 17), which, if approved by shareholders, will permit the company to make market purchases of its own shares up to a maximum of 1,530,006 shares (being 15% of the company's ordinary issued share capital as at 19 May 2008). Your directors are requesting this authority to allow them to respond to changes in market conditions where it may become beneficial to shareholders generally to engage in market purchases of the company's shares.

J Richard Wollenberg

Chairman

19 May 2008

Directors and Advisers

Directors

J Richard Wollenberg, *Chairman*
Anthony J Shakesby, *Finance Director*
Derek M Joseph, *Non-Executive Director*
Ian T Reynolds, *Non-Executive Director*

Company Secretary

Anthony J Shakesby

Head and Registered Office

56 Station Road
Egham
TW20 9LF
Telephone: 01784 437444
Fax: 01784 439157
E-mail: webmaster@general-industries.co.uk
Web: www.general-industries.co.uk

Registered Number

05679987

Auditor

KPMG Audit Plc
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

Corporate Adviser

Beaumont Cornish Limited
5th Floor
10-12 Copthall Avenue
London
EC2R 7DE

Bankers

Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Registrars and Transfer Office

Neville Registrars
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Report of the Directors

The directors submit their report and the audited financial statements for the year ended 31 March 2008. The company was incorporated on 19 January 2006 and the comparative figures represent the period from that date to 31 March 2007.

Principal Activity and Review of the Business

The principal activity of the company during the year was that of an investment company seeking potential acquisitions.

Results

The results of the company for the year are set out in the audited financial statements on pages 8 to 16.

Dividends

The directors do not recommend payment of a dividend for the period.

Directors

The directors of the company are listed on page 2. All served throughout the financial period.

In accordance with the company's articles of association, J Richard Wollenberg will retire by rotation at the Annual General Meeting and, being eligible, will offer himself for re-election.

Directors' Options

Details of the options to subscribe for ordinary shares of 10 pence each are as follows. By option certificates dated 24 February 2006, each of the directors was granted an option to subscribe at a price of 10 pence per share for a number of shares representing the following percentage of ordinary shares then in issue at the time:

Directors	Percentage of Ordinary Shares
J Richard Wollenberg	5%
Anthony J Shakesby	1%
Derek M Joseph	2%
Ian T Reynolds	2%

The options are exercisable at any time during a five year period from 24 February 2006. Other than those noted above and disclosed at Note 10, no options were granted or exercised and none lapsed during the period.

The mid-market price of the company's shares on 31 March 2008 was 13.75 pence per share, the highest and lowest mid-market prices of the company's shares during the year were 15.0 pence and 13.5 pence respectively.

Share Capital

Movements in share capital are detailed in Note 11.

Substantial Shareholdings

The company has been notified of the following holdings of 3% or more in the share capital of the company at 19 May 2008.

	Holdings	Percentage
The Cardiff Property plc	900,000	8.8%
J Richard Wollenberg	1,450,000	14.2%
Ian T Reynolds	1,250,020	12.3%
Derek M Joseph	500,020	4.9%
Rensburg Sheppard Investment Management Limited	920,000	9.0%

Allotment of Shares

As special business at the Annual General Meeting a resolution will be proposed to renew the power of your directors to allot equity securities, pursuant to section 80 of the Companies Act 1985, such power being limited to one-third of the issued share capital of the company, being an aggregate nominal value of £170,000. This authority may be renewed for five years but, in common with modern corporate governance practice, it is your directors' intention that the resolution be limited to one year and that its renewal be proposed at each Annual General Meeting.

Report of the Directors *(continued)*

Pre-emption Rights

As special business at the Annual General Meeting a resolution will be proposed to renew for a further year the power of your directors to allot equity securities for cash without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities which may be allotted in this way shall not exceed £25,500, representing 5% of the present issued ordinary share capital of the company.

Supplier Payment Policy

Whilst the company does not follow any standard code, it is its policy to negotiate terms with all its suppliers and to ensure that they know the terms on which payment will take place when the business is agreed. It is our policy to abide by these terms. In most instances this requires payment within 30 days of the date of invoice. At the year end no suppliers' invoices were outstanding.

Political and Charitable Contributions

The Company made no political or charitable donations or incurred any political expenditure during the year

Auditor

A resolution for the reappointment of KPMG Audit Plc is to be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditors

The directors, who held office at the date of approval of this directors' report, confirm that, as far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company auditors are aware of that information.

Corporate Governance

In July 2003, the Stock Exchange published the Combined Code on Corporate Governance which combines the work of the Cadbury, Greenbury and Hempel committees and is mandatory for fully listed companies.

Whilst there is no obligation for PLUS Markets listed companies to comply with this code, the directors endorse the principles of effective corporate governance and are committed to maintaining the highest standards of ethics, integrity and professional competence. The directors do not consider full compliance with the code is appropriate for the company at this stage of its development but will keep the matter under review and continue to develop procedures as the company develops.

Registered office:
56 Station Road
Egham
TW20 9LF

By order of the board

Anthony J Shakesby
Secretary

19 May 2008

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

Independent auditors' report to the members of General Industries Plc

We have audited the financial statements of General Industries Plc for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Independent auditors' report to the members of General Industries Plc *(continued)*

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

19 May 2008

Profit and Loss Account
for the year ended 31 March 2008

	<i>Notes</i>	Year ended 31 March 2008	Period ended 31 March 2007
		£	£
Administrative expenses being operating loss and loss on ordinary activities before interest		(41,036)	(21,924)
Interest receivable and similar income	2	56,348	49,091
Profit on ordinary activities before taxation	<i>3-4</i>	15,312	27,167
Tax on profit on ordinary activities	5	(6,603)	(4,243)
Profit on ordinary activities after taxation being profit for the financial period		8,709	22,924
Earnings per share		Year ended 31 March 2008	Period ended 31 March 2007
		Pence per share	Pence per share
On profit for the financial period	<i>Notes</i>		
Basic	6	0.09p	0.26p
Diluted	6	0.08p	0.25p

The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in the period. The profit for the financial period represents the total gains and losses and the total historical cost profit recognised for the period.

Balance Sheet
at 31 March 2008

	<i>Notes</i>	At 31 March 2008	At 31 March 2007
		£	£
Current assets			
Debtors	8	5,718	5,034
Cash at bank and in hand		1,018,106	1,004,377
		<hr/>	<hr/>
Creditors: amounts falling due within one year	9	1,023,824	1,009,411
		(15,880)	(13,676)
		<hr/>	<hr/>
Net current assets being total assets less current liabilities and net assets		1,007,944	995,735
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	11	510,002	510,002
Share premium account	12	459,309	459,309
Profit and loss account	13	38,633	26,424
		<hr/>	<hr/>
Shareholders' funds - equity	14	1,007,944	995,735
		<hr/> <hr/>	<hr/> <hr/>
Net assets per share	7	9.88p	9.76p
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 19 May 2008 and were signed on its behalf by:

J Richard Wollenberg
 Director

Cash Flow Statement
for the period ended 31 March 2008

	<i>Notes</i>	Year ended 31 March 2008	Period ended 31 March 2007
		£	£
Cash outflow from operating activities		(33,435)	(14,025)
Returns on investment and servicing of finance	<i>16</i>	56,348	49,091
Taxation		(9,184)	-
		<hr/>	<hr/>
Cash inflow before financing		13,729	35,066
Financing	<i>16</i>	-	969,311
		<hr/>	<hr/>
Increase in cash in the period		13,729	1,004,377
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Net Cash Flow to Movement in Net Funds

	<i>Notes</i>	Year ended 31 March 2008	Period ended 31 March 2007
		£	£
Increase in cash and movement in net funds in the period resulting from cash flows	<i>17</i>	13,729	1,004,377
Net funds at beginning of period	<i>17</i>	1,004,377	-
		<hr/>	<hr/>
Net funds at end of period	<i>17</i>	1,018,106	1,004,377
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	<i>Notes</i>	Year ended 31 March 2008	Period ended 31 March 2007
		£	£
Operating loss		(41,036)	(21,924)
Decrease / (increase) in debtors		51	(4,369)
Increase in creditors		4,050	8,768
Fair value of share options granted		3,500	3,500
		<hr/>	<hr/>
Net cash outflow from operating activities		(33,435)	(14,025)
		<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting Policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Companies Act 1985.

Share based payments

The share option programme allows directors to acquire shares of the company. These awards are granted by the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the directors become unconditionally entitled to the options taking into account the terms and conditions upon which options were granted.

Taxation

Provision is made for corporation tax payable at current rates on profits as adjusted for tax purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes *(continued)*

2 Interest Receivable and Similar Income

	Year ended 31 March 2008	Period ended 31 March 2007
	£	£
On bank deposits	56,348	49,091
	<u> </u>	<u> </u>

3 Directors' remuneration and staff costs

The average number of persons employed by the company (including executive directors) during the period was:

	Number of employees	
	Year ended 31 March 2008	Period ended 31 March 2007
Management (part time)	2	2
	<u> </u>	<u> </u>

	Year ended 31 March 2008	Period ended 31 March 2007
	£	£
Directors' emoluments	10,000	5,000
	<u> </u>	<u> </u>

No retirement benefits are accruing to directors.

Information on directors' share options is shown in the report of the directors on page 3.

4 Profit on Ordinary Activities Before Taxation

	Year ended 31 March 2008	Period ended 31 March 2007
	£	£
<i>This is stated after charging the following:</i>		
Auditors' remuneration:		
Audit fees	2,000	1,500
Fees payable for other services:		
Tax services	1,700	850
Other services pursuant to legislation	-	2,938
	<u> </u>	<u> </u>

Notes *(continued)*

5 Tax on Profit on Ordinary Activities

	Year ended 31 March 2008	Period ended 31 March 2007
	£	£
UK corporation tax at 20% (2007: 19%) on profits for the period	7,338	4,908
Deferred taxation	(735)	(665)
	6,603	4,243
	6,603	4,243

Factors affecting the current tax charge for the period

The current tax charge for the period is higher than the small company rate of corporation tax in the UK of 19%.

	Year ended 31 March 2008	Period ended 31 March 2007
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	15,312	27,167
	15,312	27,167
Profit on ordinary activities multiplied by the lower rate of corporation tax in the UK of 20% (2007: 19%)	3,062	5,162
<i>Effects of</i>		
Expenses not allowed for tax purposes	-	665
Marginal rate relief	-	(919)
Prior year adjustment	4,276	-
	4,276	-
Current tax charge	7,338	4,908
	7,338	4,908

6 Earnings Per Share

Earnings per share has been calculated in accordance with Financial Reporting Standard 14 - *Earnings Per Share* using the profit after tax for the year of £8,709 (period to 31 March 2007: £22,924) and the weighted average number of shares in issue during the period as follows:

	Weighted average number of shares	
	Year ended 31 March 2008	Period ended 31 March 2007
Basic	10,200,040	8,814,326
Adjustment to basic for element of shares to be issued on exercise of options	277,408	356,668
	10,477,448	9,170,994
	10,477,448	9,170,994

Notes *(continued)*

7 Net Assets per Share

Based on shares in issue at 31 March 2008 of 10,200,040
 (31 March 2007: 10,200,040)

At 31 March 2008	At 31 March 2007
Pence per share	Pence per share
9.88p	9.76p
<u> </u>	<u> </u>

8 Debtors

Prepayments and accrued income
 Deferred tax asset

At 31 March 2008	At 31 March 2008
£	£
4,318	4,369
1,400	665
<u> </u>	<u> </u>
5,718	5,034
<u> </u>	<u> </u>

Full provision has been made for deferred taxation as follows:

Other timing differences
 Deferred tax asset

At 31 March 2008	At 31 March 2007
£	£
1,400	665
<u> </u>	<u> </u>
1,400	665
<u> </u>	<u> </u>

9 Creditors: amounts falling due within one year

Corporation tax
 Accruals and deferred income

At 31 March 2008	At 31 March 2007
£	£
3,062	4,908
12,818	8,768
<u> </u>	<u> </u>
15,880	13,676
<u> </u>	<u> </u>

Notes *(continued)*

10 Share based payments

The fair values of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the option is measured based on a Black Scholes model (with the contractual life of the option built into the model). The option vests once an acquisition has been achieved.

The terms and condition of outstanding share options are as follows:

Date granted	No. of ordinary shares	Option price per share	Exercisable Between
24 February 2006	1,070,004	10p	2006-2011

The principal assumptions used in assessing the fair value of the options are as follows:

- share price – 13.75p;
- exercise price – 10p;
- option life - 5 years;
- expected dividends – 0%; and
- risk-free interest rate – 4.3%.

11 Share Capital

	At 31 March 2008	At 31 March 2007
	£	£
<i>Authorised</i>		
40,000,000 ordinary shares of 5 pence each	2,000,000	2,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
10,200,040 ordinary shares of 5 pence each	510,002	510,002
	<u> </u>	<u> </u>

Details of share options held by the directors are set out in the report of the directors on page 3. At 31 March 2008, by an option agreement dated 24 February 2006, Beaumont Cornish was granted an option to subscribe at a price of 10p each per share for 50,000 ordinary shares, which is exercisable within the period 24 February 2008 and 24 February 2011.

12 Share Premium Account

	£
At 31 March 2007 and 31 March 2008	459,309
	<u> </u>

13 Profit and loss account

	At 31 March 2008	At 31 March 2007
	£	£
At 31 March 2007	26,424	-
Retained profit for the financial period	8,709	22,924
Fair value of share options granted	3,500	3,500
	<u> </u>	<u> </u>
At 31 March 2008	38,633	26,424
	<u> </u>	<u> </u>

Notes (continued)

14 Reconciliation of Movements in Shareholders' Funds

	At 31 March 2008	At 31 March 2007
	£	£
At 31 March 2007	995,735	-
Profit for the financial period	8,709	22,924
Share premium on shares issued in period (net of expenses)	-	459,309
Shares issued in period	-	510,002
Fair value of share options granted	3,500	3,500
	1,007,944	995,735
	1,007,944	995,735

15 Commitments

There were no commitments under contract at 31 March 2008 (2007: £Nil).

16 Gross Cash Flows

	Year ended	Period ended
	31 March 2008	31 March 2007
	£	£
Returns on investment and servicing of finance		
Interest received	56,348	49,091
	56,348	49,091
Financing		
Shares issued in the period	-	1,000,002
Expenses of share issue	-	(30,691)
	56,348	969,311
	56,348	969,311

17 Analysis of Net Funds

	Year ended	Period ended
	31 March 2008	31 March 2007
	£	£
At 31 March 2007	1,004,377	-
Cash flow	13,729	1,004,377
	1,018,106	1,004,377
At 31 March 2008	1,018,106	1,004,377

18 Related Party Transactions

During the period the company did not enter into any material transactions with related parties.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of General Industries Public Limited Company will be held at 56 Station Road, Egham, Surrey TW20 9LF on 23 June 2008 at 11 am, for the following purposes:

Ordinary business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the reports of the directors and auditors and the financial statements for the period ended 31 March 2008.
2. To re-appoint J Richard Wollenberg, who retires by rotation, as a director.
3. To re-appoint KPMG Audit Plc as auditor of the company from the conclusion of the meeting to the conclusion of the next meeting at which the reports of the directors and auditors and the financial statements are laid before the company and to authorise the directors to agree its remuneration.
4. To obtain the approval of the company to continue with its investment strategy in light of the fact that it has not made a material investment.

Special business

To consider and, if thought fit, to pass resolution 5 as an ordinary resolution and resolutions 6 and 7 as special resolutions:

5. That the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise all the powers of the company to allot, grant options over or otherwise deal with or dispose of the unissued share capital of the company provided that the authority hereby given:
 - (a) shall be limited to unissued shares in the share capital of the company having an aggregate nominal value of £170,000; and
 - (b) shall expire at the end of the next Annual General Meeting of the company to be held in 2009 unless previously renewed or varied save that the directors may, notwithstanding such expiry, allot, grant options over or otherwise deal with or dispose of any shares under this authority in pursuance of an offer or agreement so to do made by the company before the expiry of this authority.

Special resolution

6. That, subject to the passing of resolution 5, the directors be and they are hereby empowered pursuant to section 95(1) of the Companies Act 1985 to allot equity securities (as defined in section 94(2) of that Act) for cash pursuant to the authority conferred in that behalf by the preceding ordinary resolution, as if section 89(1) of that Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements; and
 - (b) to the allotment (otherwise than pursuant to subparagraph (a) above) of equity securities up to an aggregate nominal amount of £25,500 representing 5% of the present issued share capital of the company;

and shall expire on the date of the next Annual General Meeting of the company or 15 months from the passing of this resolution, whichever is the earlier, save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

7. Pursuant to the company's articles of association that the company be and is hereby unconditionally and generally authorised to make market purchases (as defined in Section 163(3) of the Companies Act 1985) of ordinary shares of 5 pence each in the capital of the company, provided that :
 - (a) the maximum number of ordinary shares hereby authorised to be acquired is 1,530,006 representing 15% of the present issued share capital of the company as at 19 May 2008

- (b) the minimum price which may be paid for such shares is 5 pence per share which shall be exclusive of expenses;
- (c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount (exclusive of expenses) equal to 105% of the middle market quotations for an ordinary share of the company taken from the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (d) unless previously renewed the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or 12 months from the date of passing this resolution, if earlier; and
- (e) the company may make a contract or contracts to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

Registered office:
56 Station Road
Egham
TW20 9LF
19 May 2008

By order of the board

Anthony J Shakesby
Secretary

Notes

1. Copies of the directors' service contracts will be available for inspection at the registered office of the company during usual business hours from the date of this notice until the date of the Annual General Meeting, and also during and at least fifteen minutes before the beginning of the Annual General Meeting.
2. If you are a member of the Company at the time set out above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA and provide details.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
6. As at 16:00 hours on 19 May 2008, the Company's issued share capital comprised 10,200,040 ordinary shares of 5p pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 16:00 hours on 19 May 2008 is 10,200,040.
7. The company may hold in treasury any of its own shares purchased pursuant to resolution 7. This would give the company flexibility in the management of its capital base. Any shares purchased by the company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

Form of Proxy

I/We being (an) ordinary shareholder(s) of **General Industries plc** hereby appoint the chairman of the meeting or _____ (see Note 1 below) as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting to be held at 56 Station Road, Egham, Surrey TW20 9LF on 23 June 2008 at 11am and at any adjournment thereof, as indicated below:

Resolutions	For	Against	Abstain
1. To receive the reports of the directors and auditors and the financial statements for the year ended 31 March 2008.			
2. To re-appoint J Richard Wollenberg, who retires by rotation, as a director.			
3. To re-appoint KPMG Audit Plc as auditor of the company and to authorise the directors to agree its remuneration.			
4. To obtain the approval of the company to continue with its investment strategy.			
5. To authorise the directors to allot and issue shares pursuant to section 80 of the Companies Act 1985.			
6. To authorise the allotment of equity securities for cash pursuant to section 95(1) of the Companies Act 1985.			
7. To authorise the company to make market purchases (as defined in Section 163(3) of the Companies Act 1985) of ordinary shares of 5 pence each in the capital of the company.			

Signed _____ Date _____

Name(s) _____

Notes

1. Should a member wish to nominate any other person, strike out "the chairman of the meeting or" and insert the name of the alternative proxy who need not be a member of the company.
2. Please indicate with an X in the boxes above how you wish your votes to be cast. In the absence of any specific direction, the proxy will vote or abstain as he/she thinks fit.
3. An appointment by a corporation must be under the common seal (if any) or, if none, under the hand of a duly authorised officer.
4. Any one of the joint holders may attend or appoint a proxy to attend at the meeting but the vote of the senior present, in person or by proxy, will be accepted to the exclusion of the other. Seniority shall be determined by the order in which the names stand in the register of shareholders in respect of the joint holding.
5. To be valid this proxy must be deposited at the head office of the company at 56 Station Road, Egham TW20 9LF at least 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be).