General Industries plc

Directors' Report and Financial Statements

31 March 2011

Registered number 05679987

Contents

Chairman's Statement

Dear Shareholder

General Industries plc is quoted on PLUS Stock Exchange 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. In the current difficult environment, the company's cash resources are an attraction to any group seeking a market quote.

Financial

Income received from the company's cash deposits was £16,746 against £12,498 for last year. Turnover for the year to 31 March 2011 was £nil (2010: £nil). The loss before taxation was £1,111 (2010: £15,270), which included administrative expenses of £17,857 (2010: £27,768). Loss after taxation amounted to £2,511 (2010: £15,270). Loss per share was: basic and diluted 0.02p (2010: basic and diluted 0.15p). As at 31 March 2011 the company's cash deposits amounting to £831,434 (2010: £982,290) were placed on short term fixed bank deposit.

Dividend

The directors do not recommend payment of a dividend for the year ended 31 March 2011.

Current Position

During the year the company issued a total of 1.5 million new ordinary 5 pence shares raising £215,000. As announced on 1 March 2011, these funds were to be used primarily to fund due diligence in pursuing a number of investment opportunities in certain regions of Africa.

As announced on 10 March 2011, the company entered into an agreement with Skiptons Global Investments Ltd (BVI) "Skiptons" to acquire the rights held by Skiptons to subscribe a nominal sum for a 49% shareholding in Brightwater Trade & Invest 55 (Pty) Ltd, "Brightwater" a South African based company, in conjunction with an interest free unsecured loan from the company to Brightwater of approximately £270,000. Brightwater holds a mining right for stone aggregate in the Province of the Eastern Cape of South Africa and also a number of prospecting rights for iron ore, manganese and coal in South Africa.

In addition to securing the Brightwater agreement, Skiptons also entered into a joint venture agreement with Glenover Phosphates (Pty) Ltd, "Glenover" a company based in South Africa. The agreement is for the exploration and development of a rare earths project located in the Limpopo province of South Africa. The company has agreed to fund specific exploration costs and subject to raising further funds and certain conditions being fulfilled, the intention is for the company to ultimately acquire a majority interest in Glenover.

Following further discussions with Skiptons, the company announced on 19 May 2011 that it had agreed in principle, and subject to further due diligence and shareholders' consent, to acquire the share capital of Skiptons for a consideration of £10.16 million to be satisfied by the issue of 44.2 million new ordinary shares of 5 pence each in the company.

A loan of £91,365 was made to further the exploration work of Glenover and since the year end a further loan of £133,015 has been made, both of which are convertible into Glenover ordinary shares. A further payment of £308,166 in respect of historical engineering and feasibility study work has been made.

The successful development of a rare earths exploration project is as with any mining project a high risk endeavour. Further technical, financial and legal due diligence will be undertaken. However, with Skiptons' experienced management team and that teams' track record, the Board believe this is the correct investment for the company.

The proposed acquisition of Skiptons will constitute a reverse takeover and therefore will be subject to shareholders' consent. The company also intends to seek admission to AIM in conjunction with completion of the acquisition. Further details will be included in an AIM Admission Document to be sent to shareholders in due course. Following these announcements, trading in the company's shares on PLUS was suspended, pending circulation of that Document.

Chairman's Statement *(continued)*

In order to provide sufficient working capital to complete the acquisition of Skiptons and to provide initial funding for the resulting group, the company has agreed a placing, subject to the acquisition completing and admission of the ordinary shares to trading on AIM, of 14.5 million new ordinary shares at a price of 23 pence per share raising approximately £3.3 million.

Your directors are of the opinion that the acquisition of Skiptons, the introduction of a new management team and two projects as outlined above are in line with the Board's investment policy.

At the company's Annual General Meeting, various resolutions are being proposed, which your directors believe are in the best interests of the company.

J Richard Wollenberg
Chairman
15 June 2011

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
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff Bay
CF10 4AX

Corporate Adviser
Beaumont Cornish Limited
2nd Floor
Bowman House
29 Wilson Street
London
EC2M 2SJ

Bankers
Bank of Scotland plc
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

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 2011.

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 9 to 17.

Dividends
The directors do not recommend payment of a dividend for the year (2010: £nil).

Directors
The directors of the company are listed on page 3. All served throughout the financial year.

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

Directors' Interests
Directors' and their immediate families' interests in the ordinary shares of the company were as follows:

	At 31 March 2011 Beneficial	At 31 March 2010 Beneficial
J Richard Wollenberg	1,550,000	1,450,000
Ian T Reynolds	1,250,020	1,250,020
Derek M Joseph	500,020	500,020
Anthony J Shakesby	50,000	50,000

There were no changes in the directors' shareholdings as stated above between 1 April and 15 June 2011.

Directors' Options
Directors' options granted by option certificates dated 24 February 2006 lapsed after five years on 24 February 2011 and have not been renewed. No options were granted or exercised during the year and all other options lapsed in the year.

The mid-market price of the company's shares on 31 March 2011 was 35.0 pence per share, the highest and lowest mid-market prices of the company's shares during the year were 12.25 pence and 37.5 pence respectively.

Substantial Shareholdings
The company has been notified of the following holdings of 3% or more in the share capital of the company at 15 June 2011 (other than the Directors' shareholdings noted above).

	Holdings	**Percentage**
The Cardiff Property plc	900,000	7.69%
Rensburg Sheppard Investment Management Limited	970,000	8.29%

Share Capital
On 10 June 2010 the company allotted 500,000 ordinary shares to private investors at 13p each and the resultant share premium of £40,000 was credited to the share premium account.

On 1 March 2011 the company allotted 1,000,000 ordinary shares to private investors at 15p each and the resultant premium of £100,000 was credited to the share premium account.

Report of the Directors *(continued)*

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 551 of the Companies Act 2006, such power being limited to equity securities having an aggregate nominal value of £2,500,000. 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.

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 £2,500,000.

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 either year.

Auditors
A resolution for the re-appointment 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

The 2008 Combined Code on Corporate Governance issued by the Financial Reporting Council contains information required by section 7 of the Financial Services Authority Disclosure and Transparency Rules and is mandatory for fully listed companies.

Whilst there is no obligation for PLUS Stock Exchange 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 progresses.

Registered office:
56 Station Road
Egham
TW20 9LF

By order of the board

Anthony J Shakesby
Secretary

15 June 2011

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Director's 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG Audit Plc
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of General Industries plc

We have audited the financial statements of General Industries plc ("the company") for the year ended 31 March 2011 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of General Industries plc *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

K Maguire (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

15 June 2011

Profit and Loss Account
for the year ended 31 March 2011

	Notes	**Year ended 31 March 2011 £**	Year ended 31 March 2010 £
Administrative expenses being operating loss and loss on ordinary activities before interest		**(17,857)**	(27,768)
Interest receivable and similar income	*2*	**16,746**	12,498
Loss on ordinary activities before taxation	*3-4*	**(1,111)**	(15,270)
Tax on loss on ordinary activities	*5*	**(1,400)**	-
Loss on ordinary activities after taxation being loss for the financial period	*13*	**(2,511)**	(15,270)

Loss per share	*Notes*	**Pence per share**	Pence per share
On loss for the financial period			
Basic	*6*	**(0.02)p**	(0.15)p
Diluted	*6*	**(0.02)p**	(0.15)p

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

Balance Sheet
at 31 March 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Investments	*8*		**91,365**		-
Current assets					
Debtors	*9*	**276,229**		8,240	
Cash at bank and in hand		**831,434**		982,290	
		1,107,663		990,530	
Creditors: amounts falling due within one year	*10*	**(5,297)**		(9,288)	
Net current assets					
Due within one year		**831,974**		981,242	
Debtors due after more than one year		**270,392**		-	
			1,102,366		981,242
Total assets less current liabilities being net assets			**1,193,731**		981,242
Capital and reserves					
Called up share capital	*11*		**585,002**		510,002
Share premium account	*12*		**599,309**		459,309
Profit and loss account	*13*		**9,420**		11,931
Shareholders' funds - equity	*14*		**1,193,731**		981,242
Net assets per share	*7*		**10.20p**		9.62p

These financial statements were approved by the board of directors on 15 June 2011 and were signed on its behalf by:

J Richard Wollenberg
Chairman

Registered number 05679987

Cash Flow Statement
for the year ended 31 March 2011

	Notes	**Year ended 31 March 2011 £**	Year ended 31 March 2010 £
Net cash outflow from operating activities (see below)		**(291,237)**	(24,329)
Returns on investment and servicing of finance	*16*	**16,746**	12,498
Taxation		**-**	-
Investing activities	*8*	**(91,365)**	-
Cash outflow before financing		**(365,856)**	(11,831)
Financing	*16*	**215,000**	-
Decrease in cash in the year		**(150,856)**	(11,831)

Reconciliation of Net Cash Flow to Movement in Net Funds

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Decrease in cash and movement in net funds in the year resulting from cash flows	**(150,856)**	(11,831)
Net funds at beginning of year	**982,290**	994,121
Net funds at end of year	**831,434**	982,290

Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Operating loss	**(17,857)**	(27,768)
(Increase)/decrease in debtors	**(269,389)**	1,027
Decrease in creditors	**(3,991)**	(1,088)
Fair value of share options granted	**-**	3,500
Net cash outflow from operating activities	**(291,237)**	(24,329)

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 on a going concern basis under the historical cost convention and in accordance with applicable accounting standards and with the Companies Act 2006.

Investments

Investments are initially measured at cost. They are measured at subsequent reporting dates at cost less provision for impairment where they relate to unquoted equity investments where fair value cannot be readily determined, and at fair value otherwise.

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.

Deferred tax assets are recognised to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Going concern

Details of future plans and investment activity are described in more detail in the Chairman's Statement.

The planned acquisition of Skiptons and the funding of the ongoing group, will depend upon the company raising sufficient working capital. In order to provide sufficient working capital, the company has completed a placing, subject to the acquisition completing and admission of the ordinary shares to trading on AIM, of 14.5 million new ordinary shares at a price of 23 pence per share raising approximately £3.3 million.

As a result of the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2011.

Notes *(continued)*

2 Interest Receivable and Similar Income

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
On bank deposits	**16,746**	12,498

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 2011	Year ended 31 March 2010
Management (part time)	**2**	2

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
Directors' emoluments	**-**	10,000

The directors waived their entitlement to emoluments in the year. No retirement benefits are accruing to directors.

4 Loss on Ordinary Activities before Taxation

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
This is stated after charging:		
Auditors' remuneration:		
Audit fees	**2,938**	2,415
Fees payable for other services:		
Tax services	**881**	978

Notes *(continued)*

5 Tax on Loss on Ordinary Activities

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
Current tax		
UK corporation tax at 21% (2010: 21%) on loss for the year	-	-
Deferred tax		
Reversal of timing differences	**1,400**	-
Tax on loss on ordinary activities	**1,400**	-

Factors affecting the current tax charge for the year

The current tax charge for the year is higher (2010: higher) than the small company rate of corporation tax in the UK of 21% (2010: 21%). The differences are explained below:

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
Current tax reconciliation		
Loss on ordinary activities before tax	**(1,111)**	(15,270)
Loss on ordinary activities multiplied by the small company rate of corporation tax in the UK of 21% (2010: 21 %)	**(233)**	(3,206)
Effects of		
Expenses not allowed for tax purposes	**108**	30
Unprovided tax losses	**125**	3,176
Current tax	**-**	-

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014.

This will reduce the company's future current tax charge accordingly.

6 Earnings Per Share

Earnings per share has been calculated in accordance with Financial Reporting Standard 22 - *Earnings Per Share* using the loss after tax for the year of £2,511 (2010: £15,270) and the weighted average number of shares in issue during the period as follows:

	Weighted average number of shares	
	Year ended 31 March 2011	Year ended 31 March 2010
Basic and diluted	**10,658,373**	10,200,040

Notes *(continued)*

7 Net Assets per Share

	At 31 March 2011 Pence per share	At 31 March 2010 Pence per share
Based on shares in issue at 31 March 2011 of 11,700,040 (2010: 10,200,040)	**10.20p**	9.62p

8 Investments – other investments

	At 31 March 2011 £	At 31 March 2010 £
At beginning of year	**-**	-
Additions in the year	**91,365**	-
At end of year	**91,365**	-

Representing an investment in Glenover, as explained in the Chairman's Statement. The consideration was satisfied by means of a cash payment of £91,365.

The directors have considered the above investment and are satisfied that the value of the investment is not less than the carrying value.

9 Debtors

	At 31 March 2011 £	At 31 March 2010 £
Other debtors	**270,392**	-
Prepayments and accrued income	**5,837**	6,840
Deferred tax asset	**-**	1,400
	276,229	8,240

Other debtors relate to amounts advanced to Brightwater which are due in more than one year.

A deferred tax asset in respect of other timing differences has been recognised as follows:

	At 31 March 2011 £	At 31 March 2010 £
At beginning of year	**1,400**	1,400
Charge for the year in the profit and loss account	**(1,400)**	-
At end of year	**-**	1,400

Notes *(continued)*

10 Creditors: amounts falling due within one year

	At 31 March 2011	At 31 March 2010
	£	£
Accruals and deferred income	**5,297**	9,288

11 Share Capital

	At 31 March 2011	At 31 March 2010
	£	£
Authorised		
40,000,000 ordinary shares of 5 pence each	**2,000,000**	2,000,000
Allotted, called up and fully paid		
11,700,040 (2010: 10,200,040) ordinary shares of 5 pence each	**585,002**	510,002

On 10 June 2010 the company allotted 500,000 ordinary shares to private investors at 13p each and the resultant share premium of £40,000 was credited to the share premium account.

On 1 March 2011 the company allotted 1,000,000 ordinary shares to private investors at 15p each and the resultant premium of £100,000 was credited to the share premium account.

12 Share Premium Account

	31 March 2011	31 March 2010
	£	£
At beginning of year	**459,309**	459,309
Allotment of shares on 10 June 2010	**40,000**	-
Allotment of shares on 1 March 2011	**100,000**	-
At end of year	**599,309**	459,309

13 Profit and Loss Account

	Year ended 31 March 2011	Year ended 31 March 2010
	£	£
At beginning of year	**11,931**	23,701
Retained loss for the financial year	**(2,511)**	(15,270)
Fair value of share options granted	**-**	3,500
At end of year	**9,420**	11,931

Notes *(continued)*

14 Reconciliation of Movements in Shareholders' Funds

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
At beginning of year	**981,242**	993,012
Loss for the financial year	**(2,511)**	(15,270)
Shares issued in the year	**215,000**	-
Fair value of share options granted	**-**	3,500
At end of year	**1,193,731**	981,242

15 Capital commitments

There were no capital commitments under contract at 31 March 2011 (2010: £Nil).

16 Gross Cash Flows

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Returns on investment and servicing of finance		
Interest received	**16,746**	12,498
Financing		
New shares issued in the year	**215,000**	**-**

17 Related Party Transactions

During the year the company did not enter into any material transactions with related parties, other than explained in the Chairman's Statement.

18 Subsequent Events

On 19 May 2011, the company announced it had reached agreement in principle to acquire the entire share capital of Skiptons Global Investments Ltd (BVI) for a consideration of £10.16 million to be satisfied by the issue of 44.2 million new ordinary 5 pence shares in the company. This acquisition is subject to due diligence, contract and shareholders' approval in General Meeting.

The company has made further loans of ZAR1.5 million (approximately £133,000) to Fer Mine Ore (Pty) Limited in connection with the Glenover Joint Venture agreement which are convertible into ordinary shares in Glenover. A further payment of US$500,000 (approximately £308,000) in respect of historical and feasibility study work has been made.

The company has also completed a placing, subject to acquisition completion and admission of the ordinary shares to trading on AIM, of 14.5 million new ordinary 5 pence shares at a price of 23 pence per share, raising approximately £3.3 million.

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 20 July 2011 at 11.30am, 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 year ended 31 March 2011.
2. To re-appoint AJ Shakesby, 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.

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 in substitution for any such authority previously granted pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the company to allot, grant options over or otherwise deal with or dispose of shares in the company provided that the authority hereby given:
   (a) shall be limited to equity securities having an aggregate nominal value of £2,500,000; and
   (b) shall expire at the end of the next Annual General Meeting of the company to be held in 2012 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 equity securities 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 in substitution for any such power previously granted pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority referred to in resolution 5 above, as if section 561(1) of that Act or any pre-emption provisions contained in the articles of association of the company or otherwise did not apply to any such allotment, provided that this power ;
   (a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £2,500,000 of the company; and
   (b) 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 693(4) of the Companies Act 2006) 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 1,755,006 representing 15% of the present issued share capital of the company as at 15 June 2011
   (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 obtained from 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
15 June 2011

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 the company secretary, at 56 Station Road, Egham, Surrey, TW20 9LF 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 14 June 2011, the Company's issued share capital comprised 11,700,040 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 14 June 2011 is 11,700,040.
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.
8. Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so by using the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment of the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received at the head office of the company at least 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the company is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal member or

sponsored member or has appointed a voting service provider(s) to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2011.

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 20 July 2011 at 11.30 am 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 2011.			
2.	To re-appoint AJ Shakesby, 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 551 of the Companies Act 2006.			
6.	To authorise the allotment of equity securities for cash pursuant to section 570 and section 573 of the Companies Act 2006.			
7.	To authorise the company to make market purchases (as defined in section 693 (4) of the Companies Act 2006) 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).