

12 January 2010

BWA GROUP PLC
("BWA" or the "Company")

**Proposed Open Offer of 78,483,254 New Ordinary Shares of 0.5p each at 0.5p per Ordinary Share
Adoption of New Articles of Association
Notice of General Meeting
and
Admission to PLUS**

Highlights

- BWA is seeking to raise £392,416 through a 2:1 Open Offer of 78,483,254 new Ordinary Shares at 0.5p per share to provide sufficient cash resources for it to become an Investment Vehicle and obtain admission to PLUS
- The Directors believe that their broad collective experience, together with their extensive network of contacts, will assist them in the identification, evaluation and funding of appropriate investment opportunities
- The fundraising has been structured as an Open Offer to allow Shareholders to contribute to the funding of the Company's new strategy and to maintain their interest in BWA
- The Company's investment strategy will focus on companies and businesses which have, amongst other things, a robust business model and an experienced and proven management team
- The issue of new Ordinary Shares pursuant to the Open Offer requires the approval of Shareholders which is to be sought at an Annual General Meeting of the Company which is being convened, inter alia, for this purpose at 11.00 a.m. on 4 February 2010

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date	Close of business 11 on January 2010
Publication of Admission Document	12 January 2010
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 2 February 2010
Annual General Meeting	11.00 a.m. on 4 February 2010
Latest date for splitting of Application Forms	3.00 p.m. on 5 February 2010
Latest time and date for the receipt of completed Application Forms and payment in full	3.00 p.m. on 9 February 2010
Dealings expected to commence on PLUS	23 February 2010
Ordinary Shares credited to CREST (where applicable)	23 February 2010
Dispatch of share certificates (where applicable)	By 9 March 2010

OPEN OFFER STATISTICS

Existing Ordinary Shares in issue on the Record Date	39,241,627
Open Offer Shares to be issued*	78,483,254
Open Offer Price	0.5p
Gross proceeds of the Open Offer*	£392,416
Net proceeds of the Open Offer*	£328,566
Enlarged Ordinary Share Capital*	117,724,881
Market capitalisation at the Open Offer Price*	£585,438

*assuming full subscription

Enquiries:

BWA Group Plc

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INTRODUCTION

It was announced today that BWA is seeking to raise £392,416 (before expenses) in an Open Offer and to obtain admission of the Company's Enlarged Share Capital to trading on the PLUS-quoted Market, where the Company will be classified as an Investment Vehicle.

The issue of new Ordinary Shares pursuant to the Open Offer requires the approval of Shareholders at a General Meeting. As the Company has not yet held its Annual General Meeting for 2009 as required by the 2006 Act, the Annual General Meeting is being convened for 11.00 a.m. on 4 February 2010 at which, in addition to the normal business of an annual general meeting, resolutions will be proposed as special business to reorganise the Company's share capital and to authorise the Directors to allot Ordinary Shares pursuant to the Proposals and otherwise. The Company is also taking the opportunity to adopt the New Articles to take advantage of certain provisions of the 2006 Act and to buy in all of the issued Deferred Shares, which will then be cancelled.

INFORMATION ON THE COMPANY

BWA was formed in 1931. In 1998 it carried out the reverse acquisition of British World Airlines Limited and subsequently listed its shares on the Official List. In 2001, the Company's shares were suspended from the Official List. In 2002 it was agreed to put the Company into a company voluntary arrangement as an alternative to liquidation. Following the settlement of claims the Company raised new capital and its shares were admitted to AIM in December 2003 as an Investing Company.

Since 2003, the directors of BWA have considered a number of potential reverse acquisitions but no transaction was completed. On 3 April 2006, trading in the Company's shares on AIM was suspended and the shares were then de-listed six months later on 3 October 2006 in accordance with AIM Rule 41.

The Directors believe that there are currently a number of potentially attractive investment opportunities to be found amongst trading companies primarily within the UK, and believe that now is therefore an appropriate time for BWA to raise capital and seek admission to PLUS. The Directors intend to utilise BWA as either a reverse takeover vehicle and/or to make suitable investments in due course.

INVESTMENT STRATEGY

The Directors will consider making an investment (or investments) in businesses across a range of geographical locations, strictly determined by criteria including, *inter alia*, a stable economy, the prevailing rule of law, minimal regulations regarding the export of capital and no currency constraints.

Whilst the Directors have no bias towards a specific sector, the business (or businesses) which the Company invests in or acquires will, it is envisaged, meet certain conditions which, the Directors believe, will best position the Company to maximise shareholder value. These conditions include, *inter alia*, a robust business model demonstrating how shareholder value will be created and increase over time, including the generation of strong positive cash flows, and an experienced management team with a proven track record of success in their area of operation. The investment opportunities which the Directors are focusing on:

- are established, companies which are profitable, largely ungeared and which will be earnings enhancing for shareholders, capable of paying dividends and operating in mature markets;
- are primarily engaged in manufacturing and/or trading activities;
- are largely UK based and operating; and
- have developed products which may require additional funding to grow.

However, these criteria are not intended to be exhaustive and the Directors may make an investment which does not fulfil any or all of the investment criteria if they believe it is in the best interests of the Shareholders as a whole. Any acquisition of a company would be put to Shareholders for their approval at the appropriate time.

Whilst the Directors will be principally focused on making an investment in private businesses, they would not rule out investment in listed businesses if this presents, in their judgment, the best opportunity for Shareholders.

The Directors envisage that investments made by the Company will be long term and do not intend that the Company should exit for the foreseeable future once any investment is made.

The Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams. The Directors will also consider appointing additional directors with relevant experience if required.

The Directors recognise the investment strategy outlined above carries a certain degree of risk. However, they believe that the successful implementation of such an investment strategy may result in strong capital growth for Shareholders.

The Directors may seek to raise additional funding either prior to or at the same time as the Company carries out any substantial acquisition or investment. The Company may also seek admission to AIM or another appropriate market in conjunction with any substantial acquisition or investment.

The Directors are not entitled to draw any remuneration from the Company in cash until such time as an investment or acquisition is made and all expenditure by the Company will be kept to a minimum until that stage is reached. At that time the remuneration of the Directors will be reviewed and suitable remuneration arrangements shall be agreed with the Directors and any new persons appointed to the Board. In the intervening period, the directors will accrue entitlement to remuneration, but this will only become payable at the time of an investment or acquisition and will be settled by an issue of shares at the price applicable at the time. Following Admission, the cash held by the Company will be used, in part, as working capital for the operating costs of the Company in order to seek out and research potential acquisitions and investments.

Operating costs will be maintained at the minimum level consistent with the Company's status as a publicly quoted company. The Company will not acquire premises of its own or engage any full-time employees before making a significant investment or acquisition.

If the Company fails to complete any acquisition or investment as outlined above within 12 months from the date of the start of trading on PLUS, the Directors will seek Shareholders' approval for the further pursuit of its investment strategy or a resolution will be proposed for a members' voluntary liquidation of the Company (pursuant to Part IV of the Insolvency Act) and the return of funds (after payment of the expenses and liabilities of the Company) to the Shareholders *pro rata* to their respective shareholdings.

SUMMARY OF THE OPEN OFFER

The Company is seeking to raise £392,416 (before expenses) by the issue of 78,483,254 new Ordinary Shares at the Open Offer Price, payable in full on application.

Qualifying Shareholders may apply for all or part of their Open Offer Entitlement under the Open Offer calculated on the following basis:

2 Open Offer Shares for every 1 Existing Ordinary Share

and so in proportion for any greater number of Existing Ordinary Shares held on the Record Date. Qualifying Shareholders may also apply to acquire Excess Shares by following the procedure indicated on the Application Form. The Company may satisfy valid applications for Excess Shares in whole or in part. The Board may scale back applications made for Excess Shares on such basis as it considers appropriate.

The Open Offer is not being extended to Overseas Shareholders.

The minimum amount to be raised in order for the Open Offer to proceed is £325,000 (before expenses).

If applications from Qualifying Shareholders do not result in the Minimum Amount being raised, then the Directors reserve the right to seek applications for new Ordinary Shares at the Open Offer Price from eligible persons, such as market professionals, high net worth bodies and individuals and certified sophisticated investors, to the extent required to achieve the Minimum Amount.

The Open Offer Shares and the Excess Shares must be paid for in full on application. The latest time and date for receipt of completed Application Forms and payment in full in respect of the Open Offer is 15:00 p.m. on 9 February 2010.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply. The Application Form is not a document of title and cannot be traded.

The Open Offer Shares and any Excess Shares will be issued credited as fully paid and free of all liens, charges and encumbrances and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

For Qualifying Shareholders wishing to apply to subscribe for (i) all or part of their Open Offer Entitlements and (ii) Excess Shares, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey, GU9 7LL so as to arrive as soon as possible and in any event no later than 15:00p.m. on 9 February 2010.

The Open Offer is conditional on the Minimum Amount being raised, on the Resolutions being passed by Shareholders at the Annual General Meeting and Admission taking place by no later than 31 March 2010.

THE DIRECTORS

Brief biographical details of the Directors are set out below:

Richard Godfrey Battersby (Non-executive Chairman)

Richard has for the last 35 years worked in and around the venture capital industry. Having qualified as a chartered accountant he initially worked for The Royal Bank of Scotland and then joined the development capital subsidiary of the firm. Subsequently, he became part of a management buyout team for a Sheffield based motor distribution group selling buses, coaches, trucks, vans and cars. That company came to the stock market through a reverse take over of a coach manufacturing business. It made several successful acquisitions and after ten years Richard moved to develop his own small venture capital business, mainly using his own capital. He became a director of several listed and unlisted companies in the process. In 1996 Richard moved to Guernsey where he became a director and shareholder in several local businesses as well as retaining interests in the UK and elsewhere in Europe. Richard is a director of Rensburg AIM VCT plc.

James Montford Victor Butterfield (Non-executive Director)

James joined 3i plc in 1969 and, over a ten year period, became an Area Manager and Local Director, in which role he oversaw and managed a portfolio of more than 200 unquoted investments. Since leaving 3i plc, he has, for over 30 years, specialised in advising small to medium sized companies on a range of matters including stock market listings, mergers and acquisitions, fund raising and corporate recovery work. Until October 2009, James was a director of Essentially Group Ltd, an AIM quoted sports marketing and management business, in which he was actively involved in the creation and early development of what is now one of the world's largest Rugby Union and Cricket player management businesses. James resigned as a result of a successful takeover of the business by Chime Communications Plc. James is also a director of AIM quoted Wren Extra Care Group Plc, which specialises in the provision of retirement housing schemes.

Michael Alexander Borrelli (Non-executive Director)

Alex initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He has subsequently been active within the investment banking sector and has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers and acquisitions for private and quoted companies on the Official List, AIM and PLUS. He is currently a non-executive director of Capcon Holdings plc (on AIM) and of Nordic Panorama plc (previously on AIM).

DIRECTORS' AND OTHER INTERESTS

As at the date of this announcement, the interests (including rights to subscribe and short positions) of the Directors (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) or connected persons in the issued share capital of the Company are, and will be, follows:

Name	Number of Ordinary Shares	% of Issued Share Capital
Richard Battersby*	5,866,896	14.95
James Butterfield	5,901,668	15.04
Alex Borrelli	Nil	Nil

*Of the shares held by Mr Richard Battersby, 469,980 Ordinary Shares are registered in the name of Neric Holdings Limited, 5,384,424 Ordinary Shares are registered in the name of Bath Limited, 773 Ordinary Shares are registered in the name of Second Neric Limited and 11,719 Ordinary Shares are registered in the name of HSBC Global Nominees Holdings.

In addition to the holdings disclosed above, as at the date of this announcement, the Company has been notified of the following holdings which represent more than 3 per cent. of the issued share capital of the Company:-

Name	Number of Ordinary Shares	% of Issued Share Capital
Merchant House Group Plc	1,200,000	3.06
W B Nominees Limited*	1,250,144	3.19
Mr Christopher Bakhurst**	1,275,790	3.25
Mr David Michael Cass	1,350,000	3.44
Mr Richard James Armstrong***	1,800,000	4.59
Mr Peter Redmond****	2,475,000	6.31
Fiske Nominees Limited	6,475,000	16.50

*No shareholder within W B Nominees Limited is interested in over 3% of the Existing Ordinary Shares.

**Mr Christopher Bakhurst has registered 284,334 Ordinary Shares in his own name and 991,456 Ordinary Shares under the name of Rochette Securities Limited.

***Mr Richard James Armstrong owns a total of 2,800,000 Ordinary Shares representing 7.14% of the Existing Ordinary Shares. 1,800,000 Ordinary Shares are registered in his own name and 1,000,000 Ordinary Shares are held in Fiske Nominees Limited. No other shareholder within Fiske Nominees Limited is interested in over 3% of the Existing Ordinary Shares.

****Mr Peter Redmond has a personal holding of 2,475,000 Ordinary Shares but is also the CEO of Merchant Capital Limited a subsidiary to Merchant House Group Plc which is interested in 1,200,000 Ordinary Shares representing 3.06% of the Existing Ordinary Shares.

RISK FACTORS

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

- (i) The Company's success will depend on the retention of the Directors and any future management team, and on its ability to continue to attract and retain highly skilled and qualified personnel. The loss of the services of any of the Company's executive officers or other key employees could have a material adverse effect on the Company's business.

The Company's future success will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Company will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Company. In addition, the future success of the Company may be dependent on the Company's ability to integrate new teams of professionals. There can be no guarantee that the Company will be able to recruit such teams or effect such integration. Failure to do so could have a material adverse effect on the financial condition, results or operations of the Company;

- (ii) The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company;
- (iii) The Company's proposed admission to the PLUS-quoted Market is entirely at the discretion of PLUS Markets. The Ordinary Shares are not presently listed or traded on any stock exchange. Any changes to the market trading environment, in particular the PLUS Rules, could for example, affect the ability of the Company to maintain a trading facility on the PLUS-quoted market;
- (iv) An investment in shares traded on PLUS is perceived to involve a higher degree of risk and to be less liquid than an investment in companies whose shares are traded on AIM or listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment;
- (v) The share price of quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions;
- (vi) It is likely that the Company will need to raise further funds in the future, either to fund preliminary investigation and due diligence, to complete a proposed acquisition or to raise further working or development capital for such an acquisition. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the price paid by an investor, or higher. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company;
- (vii) The Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated;

- (viii) Any changes to the regulatory environment, in particular the PLUS Rules regarding companies such as BWA, could for example, affect the ability of the Company to maintain a trading facility on PLUS; and
- (ix) It is the Company's intention to issue Ordinary Shares to satisfy all or part of any consideration payable on an acquisition, but vendors of suitable companies or businesses may not be prepared to accept shares traded on PLUS or may not be prepared to accept Ordinary Shares at the quoted market price.

The investment opportunity offered in the Admission Document may not be suitable for all recipients of the Admission Document. Investors are therefore strongly recommended to consult an adviser authorised under the Financial Services and Markets Act 2000, who specialises in investments of this nature, before making their decision to invest.

Investors should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

Copies of the Admission Document will be available free of charge to the public during normal business hours on any weekday (Saturdays and public holidays excepted) from the offices of St Helens Capital Partners LLP, 223A Kensington High Street, London, W8, 6SG and shall remain available for at least one month after the date of Admission.

The Directors of BWA are responsible for the contents of this announcement.

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

"1985 Act"	the Companies Act 1985
"2006 Act"	the Companies Act 2006
"Admission"	admission of the Enlarged Share Capital to trading on the PLUS-quoted Market
"AIM"	the AIM market of the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange
"Annual General Meeting"	the Annual General Meeting of the Company convened by the Notice set out at the end of the Document
"Application Form"	the application form on which Qualifying Shareholders may apply for Open Offer Shares under the Open Offer
"Articles"	the Articles of Association of the Company
"Board" or "Directors"	the Directors of the Company
"BWA" or "Company"	BWA Group Plc, a company registered in England and Wales with company number 0255647
"Convertible Preference Shares"	the convertible preference shares of 2p each in the capital of the Company
"Document"	the Admission Document of the Company dated 12 January 2010
"Deferred Shares"	deferred shares of 1.5p each in the capital of the Company
"Enlarged Share Capital"	the issued ordinary share capital of the Company on Admission, comprising the Existing Ordinary Shares, the Open Offer Shares, the Excess Shares and any other Ordinary Shares that may be subscribed for

	by other persons in order to achieve the Minimum Amount
“Excess Shares”	the new Ordinary Shares being made available to Qualifying Shareholders under the Open Offer in excess of their Open Offer Entitlement
“Existing Ordinary Shares”	the issued Ordinary Shares in the capital of the Company
“Insolvency Act”	the Insolvency Act 1986 (as amended)
“Investment Vehicle”	a company whose actual or intended principal activity is to invest in the securities of other businesses (whether publicly traded or not), or to acquire a particular business, in accordance with specific investment criteria
“London Stock Exchange”	the London Stock Exchange plc
“Minimum Amount”	the minimum amount to be raised in the Open Offer, being £325,000 (before expenses)
“New Articles”	the new Articles of Association of the Company to be adopted at the Annual General Meeting
“Official List”	the Official List of the UK Listing Authority
“Open Offer”	the conditional offer to Qualifying Shareholders, constituting an invitation to apply to subscribe for Open Offer Shares and Excess Shares on the terms and subject to the conditions set out in the Document and in the Application Form
“Open Offer Entitlement”	the pro-rata entitlement of a Qualifying Shareholder to apply to subscribe for Open Offer Shares in proportion to the number of Existing Ordinary Shares held by him on the Record Date
“Open Offer Price”	0.5 pence per Offer Share
“Open Offer Shares”	the 78,483,254 new Ordinary Shares being made available under the Open Offer
“Ordinary Shares”	ordinary shares of 0.5p each in the capital of the Company
“Overseas Shareholder”	a Shareholder with a registered address outside the United Kingdom, the Channel Islands or the Isle of Man
“PLUS Markets”	PLUS Markets plc, a recognised investment exchange under section 290 of the FSMA
“PLUS-quoted Market” or “PLUS”	the primary market for unlisted securities operated by PLUS Markets
“PLUS Rules”	the PLUS Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares have been admitted to trading on PLUS
“Proposals”	the Open Offer and other proposals described in the Document
“Qualifying Shareholders”	holders of Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholders)
“Record Date”	the close of business in London on 11 January 2010 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Resolutions”	Resolutions 7 to 11 (inclusive) to be proposed as special business at the Annual General Meeting which are set out in the Notice at the end of the

Document

“Shareholders”

persons registered as the holders of Ordinary Shares

“St Helens Capital”

St Helens Capital Partners LLP, PLUS Corporate Adviser to the Company, which is authorised and regulated by the FSA

“UK”

the United Kingdom of Great Britain and Northern Ireland

“UK Listing Authority”

the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA