

FRENKEL TOPPING GROUP PLC

Notice of Annual General Meeting

Frenkel Topping Group Plc (“Frenkel Topping” or the “Company”) announces that the notice convening the Company’s Annual General Meeting (“AGM”) and the annual report and accounts for the year ended 31 December 2010 have been sent to shareholders and are also available from the Company’s website at www.frenkeltopping.co.uk. The AGM will be held at the offices of Addleshaw Goddard LLP at 100 Barbirolli Square, Manchester M2 3AB at 10.00 am on 10 May 2011.

The special business to be considered at the AGM includes resolutions to cancel the share premium account of the Company and to authorise the Company to make market purchases of its own shares.

Proposed cancellation of share premium account

The directors are proposing the cancellation of the Company’s share premium account in order to eliminate the accumulated deficit on the profit and loss account of the Company and to create distributable reserves (the “Proposal”). The distributable reserves will, subject to the proposed cancellation taking effect, be available to pay dividends to shareholders and to effect share buybacks as and when the directors consider it appropriate.

The amount standing to the credit of the Company’s share premium account at 31 December 2010 was £5,744,876. Under the Companies Act 2006 (the “Act”), a public company may reduce or cancel its share premium account unless its articles of association restrict or prohibit any such cancellation or reduction, provided that it obtains both the approval by special resolution of its shareholders in general meeting and the subsequent confirmation of the High Court. Article 13.3 of the articles of association of the Company provides that the Company may, by special resolution, reduce its share premium account in any way.

It is now proposed that the Company’s share premium account be cancelled. Upon the cancellation taking effect (on registration by the Registrar of Companies of the confirmatory order of the High Court), the amount of the cancellation (being £5,744,876) would eliminate the deficit on the Company’s profit and loss account, which, as at 31 December 2010, was £1,782,601. The balance of the amount of the cancellation (being approximately £3,962,275) would be available to the Company for the payment of dividends to shareholders and the purchase by the Company of its own shares, subject in each case to certain restrictions having been met.

If the Proposal is to be implemented, it is necessary that the shareholders pass a special resolution approving the cancellation at the AGM.

Following the passing by shareholders of resolution 6 to be proposed at the AGM, the Company will apply to the High Court for an order confirming the cancellation. The cancellation, to be effective, requires the confirmation of the High Court, which will seek to

protect the interests of the Company's creditors. As the Company's only creditors are Frenkel Topping Limited ("FTL"), one of its trading subsidiaries, to which the Company owes the sum of £644,663, and FTG EBT Trustees Limited ("FT EBT"), the employee benefit trust operated by the Company and a subsidiary of the Company, to which the Company owes the sum of £12,500, the Company has obtained written consent to the cancellation from both FTL and FT EBT.

The cancellation, which is expected to become effective during the week commencing 6 June 2011, will not affect the interests of FTL or FT EBT, as the Company's only creditors, and will not alter the authorised or issued share capital of the Company; nor will it result in any diminution of the net assets of the Company.

Authority to make market purchases of ordinary shares

Subject to the passing of resolution 6 by the shareholders of the Company to approve the cancellation of the Company's share premium account, and upon the cancellation taking effect such that the deficit on the Company's profit and loss account is eliminated, the balance of the amount of the cancellation following such elimination would be available to the Company for, amongst other things, the purchase by the Company of its own shares, subject to certain restrictions having been met.

Accordingly, resolution 7 to be proposed at the AGM is being proposed to give the Company authority to buy back its own shares in the market as permitted by the Act.

For further information, please contact:

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