

Billington Holdings plc

("Billington" or the "Company" and with its subsidiaries the "Group")

Trading Update

Billington reports today that, as a consequence of recent contractual issues, the Company should deliver losses for the year ended 31 December 2011, which will be greater than management's original expectations, although it is believed that revenues will remain broadly in line.

The losses have been caused by unexpected contractual difficulties which have been experienced on a small number of projects. The Company has now made appropriate management changes in order to enhance the efficiency and effectiveness of its supply chain.

Billington's framework contracts have also experienced a slowdown in the second half of the year although an upturn is currently anticipated in 2012.

Apart from these contractual issues, the directors believe the business continues to perform well in the current depressed market; the new business pipeline appears robust although margins continue to be under pressure. The Company's subsidiary companies and trading divisions - easi-edge, hoard-it, and Tubecon - are trading well and the Board expects these to continue to contribute to the Group's prospects for 2012.

The Group maintains its focus on its cost base, which has resulted in the closure of its Bristol office. A small number of production staff were made redundant in October 2011. The redundancy cost incurred by the Group over the current year is approximately £400,000 with an expected annual saving of approximately £1.5m. Cost savings have also been made following redundancies and reorganisation at senior management level.

Overall, the UK steel construction industry remains subdued and a number of companies have recently ceased operating, which the Directors believe is further evidence of excess capacity in the market.

Steve Fareham, Chief Executive of Billington Holdings plc said, "The trading update is disappointing, but has been caused by isolated issues in a small number of contracts and we have acted to reduce the risk of any recurrences".

"Our new business pipeline is encouraging and gives us confidence about our performance in 2012."

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