

For immediate release

18th September, 2014.

**ASSOCIATED BRITISH ENGINEERING PLC
("ABE")**

Following the publication of the Report and Accounts for the financial year ended 31 March 2014 and the holding of the Annual General Meeting today, I can report that:-

All of the Resolutions put to the AGM were duly passed.

At a meeting following the AGM the Board has appointed Sir David Thomson a director with immediate effect. David Brown has resigned as Chairman of the Company and the Board has elected Sir David as Chairman in his place. Sir David has been Chairman of a number of investment companies, several of which held interests in ABE. He is presently Chairman of The Investment Company PLC which holds 100,000 ABE ordinary shares (4.9%).

David Brown has subsequently resigned as a Director and Mr. Rupert Pearce Gould has been appointed a Director. Mr. Pearce Gould is the Chairman of British Polar Engines Ltd, the main subsidiary of the ABE Group.

The trading at British Polar Engines Limited (BPE), the principal subsidiary of ABE, is below budget so far this year. The trading environment for BPE remains competitive but the company is actively seeking further sales opportunities and has appointed a new Business Development Manager to commence on 30th September 2014.

In respect of Akoris Trading Limited in which the Group has a 50% interest at a cost of £320,022 against which the Board has already made a provision the management of the Company has developed limited sales in specialist Aluminium products but has failed to develop the volumes in core areas required to sustain its infrastructure. In these circumstances the Group has not agreed to advance further funds and therefore the management of Akoris is looking at the best way to sell the remaining stock. Based on the current numbers available from management, this would mean that the ABE Group has incurred further trading losses in

2014-15 and would, as a consequence, be writing off its remaining equity investment of £57,798. The value of the debenture (for £200,000) depends on the realisation of the stock and subject to that being at book figures the Group would expect to recover the full value.

Stephen Cockburn

Director

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