

22 October 2014

Best of the Best plc
("Best of the Best" or "the Company")

Proposed Capital Reduction
Notice of General Meeting
Proposal to Declare Special Dividend

The Board of Best of the Best announces that it intends to return surplus cash to Shareholders by way of a proposed Special Dividend. The Company intends to return approximately £1.32 million to Shareholders. The declaration of a Special Dividend is subject to a Capital Reduction in order to increase the distributable reserves of the Company and to this end the Company yesterday posted a circular to Shareholders (the "Circular"), convening a General Meeting, to be held at 11.00 a.m. on 13 November 2014, in order to seek Shareholder approval for the Capital Reduction.

Introduction

The Company has been cash generative for a number of years and has benefited from a strong balance sheet with significant cash reserves. As a result of this, the Company has a cash balance surplus to the operational requirements of its continuing activities and deems it appropriate to declare the Special Dividend. However, in order to return such surplus cash to Shareholders the Company must have sufficient distributable reserves. The Company is therefore proposing to carry out the Capital Reduction so as to create sufficient distributable reserves to enable it to declare the Special Dividend.

Once the Capital Reduction has become effective the Board intends to declare a return of cash of approximately £1.32 million in the form of a Special Dividend of 14.5 pence per Ordinary Share. The background to and reasons for the Special Dividend, as well as the background to and reasons for seeking authority for the Capital Reduction are set out more fully below.

The purpose of the Circular, posted to Shareholders yesterday, is to provide Shareholders with information about the background to and the reasons for the Special Dividend and the Capital Reduction and to explain why the Board considers the Special Dividend and the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole and why the Board unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out in the Circular. The Circular also contains details of what actions Shareholders need to take.

Shareholders should note that, unless the Resolution is approved at the General Meeting (and the Court confirms the Capital Reduction), the Capital Reduction will not take place and the Special Dividend will not be declared by the Board. Shareholders are not being asked to approve the Special Dividend, which the Board intends to declare once the Capital Reduction is effective.

Special Dividend

The Company was incorporated on 20 April 1999 and its Ordinary Shares were admitted to trading on AIM in 2006. The Company operates competitions to win luxury cars through a physical presence in retail sites at airports and in shopping centres and on-line through its website www.botb.com.

The Company has been cash generative for a number of years and has benefited from a strong balance sheet with significant cash reserves. The Board is committed to maintaining a capital structure that is both efficient and balanced between investment for growth and returns to Shareholders. Having assessed its expected future cash generation and the capital required to support on-going growth plans, ordinary dividends and share buy backs, the Board believes that the Company has a cash balance surplus to the operational requirements of its continuing activities.

Accordingly, once the Capital Reduction has become effective (details of which are set out below) the Board intends to declare a return of cash of approximately £1.32 million in the form of a Special Dividend of 14.5 pence per Ordinary Share. The Board is proposing to pay the Special Dividend to Shareholders on the Register as at 6.00 p.m. on 12 December 2014 as an interim dividend in respect of the financial year ending 30 April 2015 and it intends to pay the Special Dividend on 19 December 2014.

The Board has considered a range of options for returning cash to Shareholders but decided to do this by way of the Special Dividend because: it is available to all Shareholders regardless of the size of their shareholdings; it allows the Company to return cash to Shareholders in an efficient manner.

In determining the level of return of value, the Board has taken into consideration its aim of targeting a more efficient capital structure through returning excess balance sheet cash to Shareholders and remains committed to a strategy of growing earnings per share alongside total shareholder returns.

Following the payment of the Special Dividend the Company will retain cash balances in excess of £900,000 and the Directors consider that the Company will have sufficient working capital to fund its activities going forward over the next 12 month period.

The Capital Reduction

The Company does not have sufficient distributable reserves to effect the Board's proposals to return cash to Shareholders, in the form of the Special Dividend. The Board therefore proposes that the Capital Reduction be effected in order to increase the distributable reserves of the Company in order to declare the Special Dividend.

It is proposed that the amount standing to the credit of the Company's share premium account (such amount being, as at 30 April 2014, £1,782,622) is cancelled and that the resulting sum of £1,782,622 be credited to the distributable reserves of the Company.

In addition to the approval by the Shareholders of the Resolution, the Capital Reduction requires the approval of the Court. Accordingly, following approval of the Capital Reduction by Shareholders, an application will be made to the Court in order to confirm and approve the Capital Reduction. The Capital Reduction, if approved by the Court, will create realised profits of £1,782,622.

In seeking the Court's approval of the Capital Reduction, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company. The Company currently owes no more than £1,500,000 to its creditors, consisting primarily of prizewinners (cars on order with manufacturers), general trade creditors, wages and HMRC, and has a provision in its audited accounts for the financial period ended 30 April 2014 of £1,422,909 in respect of such creditors.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on 21 November 2014, with the final Court Hearing taking place on 3 December 2014 and the Capital Reduction becoming effective on the following day, following the necessary registration of the Court Order at Companies House. Thereafter, the Company intends to make arrangements to immediately declare the Special Dividend and to pay it on 19 December 2014.

Other than the Special Dividend, the Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Directors have undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and consider that the Company will be able to satisfy the Court that, as at the date (if any) on which the Court Order relating to the Capital Reduction and the statement of capital in respect of the Capital Reduction have both been registered by the Registrar of Companies at Companies House and the Capital Reduction therefore becomes effective, the Company's creditors will be sufficiently protected.

Following the implementation of the Capital Reduction, there will be no change in the number of Ordinary Shares in issue. No new share certificates will be issued as a result of the Capital Reduction.

As a result of the Capital Reduction, any future profits of the Company earned after the date on which the Capital Reduction takes effect would be available for the Directors to use for the purposes of buying back ordinary shares of the Company and/or paying dividends (should circumstances in the future make it desirable to do so).

Trading update

Revenues from the physical sites have been solid and online sales have been encouraging. The Company has continued to trade profitably and in line with market expectations since June 2014, with increased cash balances. The Directors are confident of steady trading in the second half of the year.

The results for the 6 months ended 31 October 2014 are expected to be announced on 12 January 2015 and the Directors look forward to updating shareholders with further details at that time.

The General Meeting

The General Meeting will be held on 13 November 2014 at the offices of Charles Stanley, 131 Finsbury Pavement, London EC2A 1NT at 11.00 a.m. at which the Resolution will be proposed.

The Resolution, which will be proposed as a special resolution, is to approve the Capital Reduction.

Recommendation by Directors

The Directors consider the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the General Meeting as they have irrevocably committed to do in respect of their beneficial holdings amounting, in aggregate, to 6,645,942 Ordinary Shares of the Company, representing approximately 73 per cent. of the existing issued ordinary share capital of the Company.

Enquiries:

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DEFINITIONS

"AIM"	the AIM market operated by the London Stock Exchange plc
"Board" or "Directors"	the board of directors of the Company
"Business Day"	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
"Capital Reduction"	the proposed cancellation of the Company's share premium account pursuant to the Resolution as set out in the Notice of General Meeting
"Charles Stanley"	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited
"Company"	Best of the Best Plc
"Companies Act"	Companies Act 2006, as amended
"Court"	the High Court of Justice in England and Wales
"Court Hearing"	the hearing by the Court to confirm the Capital Reduction
"Court Order"	the order of the Court confirming the Capital Reduction
"Form of Proxy"	the form of proxy for the General Meeting as attached to the Circular
"General Meeting"	the General Meeting of the Company to be held at the offices of Charles Stanley, 131 Finsbury Pavement, London EC2A 1NT at 11.00 a.m. on 13 November 2014
"Option Schemes"	the share option schemes for Directors and certain employees of the Company granted from time to time
"Ordinary Shares"	the issued ordinary shares of 5 pence each in the Company
"Register"	the Company's register of members
"Registrar"	Computershare Investor Services PLC
"Regulatory Information Service"	any of the services approved by the London Stock Exchange plc for the distribution of the AIM announcements and included within the list

	maintained on the website of the London Stock Exchange plc
"Resolution"	the resolution to be proposed at the General Meeting
"Shareholders"	holders of Ordinary Shares
"Special Dividend"	the proposed declaration by the Board of a special dividend of 14.5 pence per Ordinary Share to Shareholders on the Register at 6.00 p.m. on 12 December 2014, subject to the Capital reduction becoming effective.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland

EXPECTED TIMETABLE OF EVENTS

Date of publication of this Circular	21 October 2014
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 11 November 2014
General Meeting	11.00 a.m. on 13 November 2014
Court Hearing to confirm Directions	10.00 a.m. on 21 November 2014
Court Hearing to confirm Capital Reduction*	10.00 a.m. on 3 December 2014
Registration of Court Order and Effective Date of Capital Reduction**	4 December 2014
Existing Ordinary Shares marked ex-Special Dividend***	11 December 2014
Record Date for the Special Dividend	6.00 p.m. on 12 December 2014
Payment Date for the Special Dividend	19 December 2014

If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement to a Regulatory Information Service

*This date is subject to any changes which may be imposed by the Court.

**This date will depend on, amongst other things, the date on which the Court confirms the Capital Reduction.

*** This date assumes that the Resolution is approved by Shareholders and the Capital Reduction is approved by the Court.