

22 October 2009

Baydonhill plc
(“Baydonhill” or the “Company”)

New employee incentive arrangements, Issue of options and Director’s shareholding

Baydonhill (AIM: BHL), one of the UK's leading foreign exchange specialists, announces that it has today put in place new employee incentive arrangements and granted options to Directors of the Company and certain of its employees.

Incentive Arrangements

Under new incentive arrangements Ekwiex Limited (“Ekwiex”), which holds 23,724,707 ordinary shares, representing 74.3 per cent. of the Company’s current issued share capital, has agreed to make available loans to Directors and certain employees of the Company to allow these persons to subscribe for new ordinary shares in the Company (“Subscription Shares”).

The Company is pleased to announce that loans, amounting in aggregate, to approximately £350,000 have been advanced by Ekwiex to a director and several employees (the “Loans”).

The Loans will be used to subscribe for 5,599,968 new ordinary shares at 6.25p per share (“Subscription Price”), being a 56 per cent. premium to the closing mid-market price of the Company’s shares on 21 October 2009, being the latest practicable date prior to the date of this announcement.

The Loans, which will be secured on the acquired Subscription Shares, will bear interest at the HM Revenue & Customs Official Rate (currently 4.75 per cent). The Loans are repayable on or before November 2012.

Issue of Options

In addition, the Company announces that it has today agreed to grant an aggregate of 800,000 options to a director of the Company and certain employees. The options are exercisable from the date of grant for a period of 10 years at an exercise price of 5.75p per share, being a 44 per cent. premium to the closing mid-market price of the Company’s shares on 21 October 2009, being the latest practicable date prior to the date of this announcement.

Following the issue of the new options detailed above there will be options outstanding over 1,570,762 ordinary shares, equivalent to 4.2 per cent. of the existing issued voting share capital of the Company, which are exercisable at prices ranging from 5.75 to 60 pence per share.

Director’s Shareholding

As part of the above arrangements, Wayne Mitchell, Chief Executive Officer of the Company, has been granted options over 100,000 ordinary shares in the Company and intends to subscribe for 1,544,000 Subscription Shares under the incentive plan. In addition, Mr Mitchell will be issued with 56,640 ordinary shares in lieu of a bonus (“Bonus Shares”).

Furthermore, Sir Eric Peacock, non-executive Chairman of the Company, has been granted options over 200,000 ordinary shares in the Company.

Accordingly, on admission of both the Subscription Shares and the Bonus Shares Mr Mitchell will hold 2,534,777 ordinary shares in the Company, equivalent to 6.74 of the issued share capital, and Mr Mitchell and Sir Eric Peacock will hold options over 100,000 and 250,000 ordinary shares, respectively.

Related Party Transaction

Under the AIM Rules, the provision of the Loans by Ekwiex constitutes a related party transaction. The independent directors of Baydonhill, having consulted with Merchant John East Securities Limited (“MJES”), the Company’s nominated adviser, consider the terms of the Loans to be fair and reasonable in

so far as the Company's shareholders are concerned. In advising the independent directors, MJES has taken into account the commercial judgement of the independent directors.

Application has been made to the London Stock Exchange for the Subscription Shares and Bonus Shares to be admitted to trading on AIM and it is expected that admission will become effective and trading will commence on 29 October 2009.

Following the admission of the Subscription Shares and the Bonus Shares to trading on AIM, the Company will have a total of 37,588,823 ordinary shares in issue and Ekwinox will hold 63.1 per cent. of the Company's then enlarged issued share capital.

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