

Oak Holdings plc

22 May 2009

AGM statement

At its Annual General Meeting to be held later today, the Chairman of Oak Holdings plc will make the following statement: -

The key feature of the last year has been the change in outlook for global economies which has particularly impinged on the UK property development market. The Company now operates in an extremely challenging business environment, which has necessitated a revised strategy and positive action to ensure survival. However whilst the timetable for the physical commencement of the development of the YES! Project, our planned 1.2 million square feet leisure, activity and convention centre in South Yorkshire is, in the present circumstances, under review, we remain confident that investment in strategically located high quality leisure and entertainment facilities will prove to be very attractive when confidence returns to the property market.

Despite the economic downturn, the Company made significant progress on the YES! Project. In August 2008, we announced, following an exhaustive and, at times, frustrating negotiation process, that a Development Agreement and the terms of a 250 year lease had been agreed with Rotherham Metropolitan Borough Council, the owners of the YES! site. This Agreement covers not only the 327 acre development site but also the 1,097 acre Rother Valley Country Park. The execution of the Development Agreement was a significant achievement and ensures that the next phases of the development process are under the control of the Company.

The Development Agreement provided the Company with a legal interest in the development site and gave us the opportunity to assess for shareholders the value attributed to the YES! Project. As such we commissioned HLL Humberts Leisure to prepare a formal valuation of the YES! concept and they reported that the value of the various interests, allowing for the qualifying criteria and the uncertain market conditions, including the 27 acres of adjoining freehold access land, was £21 million. As shareholders will have noted from the Report and Accounts this valuation was not incorporated into the balance sheet at 31 October 2008.

Whilst current economic circumstances have demanded a review of the YES! Timetable, discussions with potential tenants remain ongoing. Phasing of the project is probable, with Sheffield Steelers, the UK Elite Hockey League champions as potential early tenants.

The Company's consultancy business suffered in the last year as efforts were concentrated on finalising the Development Agreement. Given the immediate prospects for the YES! Project, it is now intended to develop new cash generative activities and initiatives.

As part of this revised strategy we were also pleased to announce that on May 7, Oak executed an Agreement with Rotherham Metropolitan Borough for a 7 year Head Leasehold interest in the Rother Valley Country Park. Oak has taken over the operation and management of the Park, with a strategy to improve and enhance the existing facilities whilst also embarking on a programme of progressively introducing new attractions to widen the appeal of this existing significant destination. The Park, which currently attracts over 800,000 visitors per annum, features in the Official London 2012 Pre-Games Training Camp Guide. The Park has been rapidly assimilated into the Group and is already attracting national sporting championships for later in the year.

Shareholders will have also noted that we have announced agreed conditional acquisition terms for the acquisition of the Ringwood Town & Country Experience Limited at a cost of £700K satisfied by a mixture of new shares and cash. Ringwood Town & Country Experience is a museum packed with thousands of items of eclectic memorabilia and operates a growing restaurant and private function business. The business will be cash generative.

We have announced the recent Agreement to advise a private land owner in the North of England over the future use of a substantial tract of land, whereby Oak participates in the potential development gain. I am pleased to report that this partnership has already made significant progress.

The Board has also announced that it is in advanced discussion with several potential investors in Oak. We need to urgently raise funds for working capital requirements and to take the Company forward. We hope to be able to advise shareholders further in the near future.

In summary, the general economy has made the year difficult for the Company, but we have made significant progress nonetheless in relation to both the YES! Project and the adoption of new revenue generating initiatives. The potential to generate significant shareholder value remains in place.