

# WHEELSURE HOLDINGS PLC

## ADMISSION TO PLUS

The directors of Wheelsure Holdings plc (“the Company”) are pleased to announce that the Company’s entire issued Ordinary share capital has today been admitted to trading on PLUS.

### Admission Details

Type of Issue:	Introduction
Sector Classification:	Engineering & Machinery
Number of Ordinary Shares in issue:	20,460,955
Par value:	Ordinary Shares of 1p each
Expected start price on PLUS:	15 pence per share
Market capitalisation on Admission:	£3 million
Corporate Adviser:	Watlington Securities Limited

### Business Activities and Strategy

The Company was incorporated on 8th May, 2003 under the Companies Act 1985 as a limited liability company for the purpose of acquiring the entire issued share capital of Wheelsure Limited and Surefoot Limited and to act as the holding company for the Group. It changed its name on 14th July, 2003 to Wheelsure Holdings plc. It has an authorised share capital of £300,000 divided into 30,000,000 Ordinary Shares of 1p each.

The investments held by the Company, all of which are wholly owned, are as follows:

- (i) Wheelsure Limited was acquired in July, 2003 to develop and commercialise a novel method of locking wheel nuts on commercial vehicles;
- (ii) Surefoot Limited was acquired in July 2003 to develop and commercialise an improved self-levelling support for use in combination with a ladder or platform;
- (iii) Tracksure Limited was acquired in February, 2006 to promote the Group’s products within the rail industry; and
- (iv) Wheelsure Technologies Limited was acquired in May, 2003 and holds all IP on behalf of the Group.

The Group is now pursuing business opportunities in three global sectors, namely Commercial Vehicles, Rail and Access Equipment (principally ladders).

### The Product

The Wheelsure locking nut assembly consists of a right-handed wheel stud with a left hand-threaded feature, wheel nut, left-handed locking nut, spring, O-ring seal and steel locking cover. When assembling, the locking cover is depressed and the lock nut started by turning in an anti-clockwise direction on the left hand thread extension of the stud bolt. When started the cover is hand tightened by a pull and turn action until engagement of the locking nut and wheel nut occurs. The cover is then pushed over the wheel nut to fully engage both locking nut and wheel nut with the spline over the cover, thus preventing any significant movement in the wheel nut. To dismantle, the locking cover is pulled against the spring and the assembly turned in a clockwise direction. Pulling the cover against the spring disengages the 24-point spline feature in the locking cover from the wheel nut and enables the assembly to turn. Turning the cover will remove the locking nut cover assembly from the left hand-threaded extension on the wheel stud.

A number of variations to the above overall design have taken place with the intention of designing a universal two piece product. Development of this two piece design has now been completed and is being actively marketed and sold in both the commercial vehicle and rail industries, albeit currently in small quantities.

The Group intends to generate the majority of its revenue by either the grant of licences for the manufacture or application of its technology or by way of distribution agreements. This however is unlikely to be possible until certain sales volumes have been achieved and in the meantime the Group is selling product direct and using a number of sub contractors to meet its manufacturing requirements.

#### **Commercial Vehicles/Buses & Coaches:**

The most common wheel system in use today on modern heavy commercial vehicles is the spigot-type wheel. This type of wheel is a disc wheel with 8 or 10 stud holes in a concentric bolt circle that allows the wheel to be fastened to the hub. The wheel has a precision cut hole at the axle centre, which engages on curved extension or seating pads extending from the hub. The engagement of these parts precisely locates the wheel about the centre of the axle, and the clamping force generated by the fasteners immobilizes the wheel.

Surveys have shown a general agreement that, in the UK, the frequency of loose or missing wheel nuts is in the low thousands each year, the frequency of wheel detachment is in the low hundreds each year and that annual fatalities resulting from wheel detachment likely to be in single figures. The Directors believe that these events can occur even on the best maintained vehicles where maintenance technicians have followed torque tightening procedures as the variability of components makes it difficult to guarantee consistent clamping force on the individual nut and bolt. The Wheelsure locking nut cover has been designed to augment the integrity of the stud and nut assembly. It effectively prevents wheel nuts unwinding in transit under the duress of workloads, temperature extremes and road conditions.

Three major industry awards have been received for the technology:

Brake Fleet Safety Forum – Awards for Excellence, Vehicle Safety Invention Award, November 2004  
UK Bus Awards – Technical Development Award, November 2005  
Vehicles & Plant Awards – Developments in New Technology – Highly Commended, September 2005

#### **Rail:**

The product is a development of the original patented technology outlined above. It has a number of different applications in both track and rolling stock. The products will be marketed under the “Tracksure” brand.

Nut loosening by vibration is also a problem for the rail industry and the Directors believe that the Group’s products offer both safety and maintenance cost benefits. As an example nuts missing from stretcher bars were two of the four main factors contributing to the failure of the points resulting in the Potters Bar rail crash. The recent derailment in Cumbria is under thorough investigation and initial reports suggest a similar occurrence may have resulted in this accident too. The Directors have been advised that the operational/maintenance demands of “jointed track” are high and hence costly and that the Tracksure products have potential to provide significant cost-benefits in this regard.

#### **Reasons for Admission to PLUS**

The directors believe that the benefits of being listed on PLUS include (i) existing shareholders are able to realise value in their investment in the Company to date and (ii) to raise its profile among both new investors and existing and potential customers.

#### **Business performance and fundraising**

Since 31st August, 2006, the date to which the latest published audited accounts of the Company were prepared, the Group has continued to incur trading losses which have in part been funded by the issue of a further £155,000 9% Secured Loan Stock 2010. Since 1st March, 2007 the Company has raised a sum of £639,750 (gross) by way of the issue of 4,265,000 ordinary shares at 15p per share. Subject to this there has been no significant change in the financial or trading position of the Company nor any significant recent trends concerning the Company’s business

At 30th July, 2007 the Group had cash resources of £459,000.

## Directors

### ***Jules (“Jim”) Shuttleworth (Part-time Executive Chairman)***

Mr Shuttleworth has been involved at senior level within the Bus and Coach industry since 1976 and brings to the board considerable experience and contacts. Until March 2003 he had been the General Manager of Evobus (UK) Limited (one of 27 service centres operating on behalf of Daimler Chrysler/Evobus in Germany), responsible for the complete Setra product and its continued growth in the UK and Ireland. For the year ended 31st December, 2002 vehicle sales alone had expanded to £10 million. Prior to that Mr Shuttleworth was Managing Director of Kaessbohrer (UK) Limited where he established the main import and sales subsidiary of the Setra product in the UK.

### ***Gerhard Dodl (Chief executive)***

Mr Dodl was also recruited from Evobus (UK) Limited where he had been General Manager, Finance and Administration since November, 1999. Prior to that time he was Financial Controller for Goldschmidt UK Limited based in Milton Keynes. He has had considerable international experience having held positions in Australia as Commercial Manager for Thermit Australia Pty Limited and in Germany as Assistant to Head of Investment Management in Deutsche Bank AG. Mr Dodl is a graduate from the University of Applied Science, Augsburg, Germany and University of Ulster, Belfast and is fluent in both English and German.

### ***David Vile (Part-time Engineering)***

Mr Vile holds a Higher National Diploma in mechanical engineering and currently holds the position of Business Manager Torque Systems at Transense Technologies plc. Prior to joining Transense Mr Vile was design manager for TRW in Germany where he received one of the highest awards from TRW for his engineering achievements. He has also had experience in the aircraft industry having worked for Rolls-Royce Bristol Engine division for a number of years before moving to ITT, and subsequently TRW.

### ***John Allen (Non-executive)***

Mr Allen has been involved in the non-ferrous metal industry for over 35 years including having been Chief Executive of Metal Products (Willenhall) Limited prior to it being placed into receivership in 1970. He is currently Managing Director of London International Traders Limited which is engaged in Russian trade, principally within the tyre industry. Prior to this Mr Allen was involved in the development of non-ferrous technology related to the plating of tyre-cord for the manufacture of car tyres.

### ***Gerhardus (“Gerry”) Mulder (Non-executive)***

Mr Mulder has considerable experience in the rail industry with over 25 years spent heading up the Goldschmidt Elektro Thermit/Orgo Thermit businesses in both Europe and the United States. Latterly Mr Mulder has worked with McKinsey & Company in restructuring projects for the Felix Schoeller group of companies in Germany and the United States.

The interests of the directors (all of which are beneficial) and persons connected with them are set out in the table below:

<i>Name</i>	<i>Current Number of Shares</i>	<i>Percentage of Current Issued Share Capital</i>
J Shuttleworth	61,111	0.30
G Dodl	184,443	0.90
J Allen	330,000	1.61
D Vile	152,222	0.74
G Mulder	—	—

In addition Mr Allen is a director and a substantial shareholder in London International Traders Limited which currently holds 1,337,832 ordinary shares.

Set out below is information relating to each Director in respect of partnerships or directorships (apart from the Company) which they have held over the previous five years and brief details of companies in receivership, administration, liquidation, company voluntary arrangement or composition or arrangement with its creditors generally where they were directors at the time or within twelve months preceding such events. Save as disclosed in this paragraph, no Director has any unspent convictions nor has any Director been the subject of any public criticisms by statutory or regulatory authorities or bankruptcy proceedings or individual voluntary arrangements. No Director has ever been disqualified by a Court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company. None of the Directors has been contacted by the Department of Trade and Industry in connection with their conduct in respect of any of the companies set out below.

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
J Shuttleworth	Wheelsure Limited Wheelsure Technologies Limited Surefoot Limited Gorba (UK) Limited	Lincoln E- Bus Limited Evobus (UK) Limited Kassbohrer (UK) Limited
G Dodl	Wheelsure Limited Wheelsure Technologies Limited Surefoot Limited Tracksure Limited	None
J Allen	London International Traders Limited Central Traders Limited Cryoconserve Limited Tyreconserve Limited Wheelsure Limited Surefoot Limited	Big Beer Company Limited Pacific Overseas (Europe) Limited Pedmore Sporting Club Limited
G Mulder	Tracksure Limited Less Common Metals Limited Felix Schoeller GB Limited Woodard Schools Taunton Limited	Meldform Metals Limited Felix Schoeller UK Limited Felix Schoeller Limited Felix Schoeller Technical Papers Inc. Felix Schoeller Digital Imaging Limited
D G Vile	Wheelsure Limited Tracksure Limited Transense Steering Limited Freyja Childcare Limited	None

J Allen was Chief Executive of Metal Products (Willenhall) Limited which was placed into receivership in 1970 following the perpetration of a systematic fraud against the company by unknown suppliers. No blame or criticism of any kind was made against him in regard to the company's failure. Mr Allen had given a personal guarantee to a subsidiary of the company and this resulted in him filing his own bankruptcy in 1973. He was discharged from this fully and unconditionally a few years later.

In addition, as a result of the 1987 stock market crash, Mr Allen entered into an Individual Voluntary Arrangement with his creditors in 1988. The terms of the Arrangement were satisfied in full.

G. Mulder was a director of Felix Schoeller Digital Imaging Limited, Felix Schoeller Limited, Felix Schoeller UK Limited and Meldform Metals Limited at the time that they entered into voluntary liquidation. All creditors have since been cleared and all claims settled.

## Significant Shareholders

At the date of this announcement the Directors are aware of the following shareholders who are beneficially interested in ordinary shares amounting to 3 per cent or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of shares</i>	<i>Percentage of Current Issued Share Capital</i>	<i>Number of Warrants</i>
Gresham House plc	2,000,000	9.77	423,255
Transense Technologies plc	1,837,517	8.96	300,324
London International Traders Ltd	1,337,832	6.54	75,012
Welsh Industrial Investment Trust plc	1,000,000	4.88	1,160,000
A P Stirling	1,000,000	4.88	21,677

## Options and Warrants

At the date of this announcement the Directors are aware of the following outstanding share options and warrants

<i>Number of options/warrants</i>	<i>Exercise price</i>	<i>Exercise period</i>
40,000	10p	16th July, 2005 to 15th July, 2008
55,000	10p	16th July, 2006 to 15th July, 2008
280,000	10p	19th December, 2006 to 18th December, 2010
25,000	12p	18th October, 2007 to 17th October 2010
1,620,000	10p	Any time up to 28th February 2010
1,550,000	12p	Any time up to 28th February 2010
596,493	12p	Any time up to 5th January 2011
25,000	12p	1st March, 2008 to 1st March, 2011
185,000	20p	24th July, 2009 to 23rd July, 2011
100,000	20p	24th July, 2010 to 23rd July, 2014

## Risk Factors

The following risk factors have been perceived by the Directors and may or may not be relevant to potential investors and should be carefully considered. The information below does not purport to be an exhaustive list or summary of the risks affecting the Group and are not set out in any particular order of priority. There may be additional risks of which the Directors are not aware.

### *Distribution and Licensing*

The Company intends to generate the majority of its revenue by either the grant of licences for the manufacture or application of its technology or by way of distribution agreements. There can be no assurance that the Company will be able to attract the necessary number of licensees or distributors.

### *Timing and Level of Demand*

There is no guarantee that there will be demand for adequate volumes of, or any demand at all or demand at acceptable margins for present or future products and/or technologies. There can be no assurance that orders will be received in the anticipated volumes or within the time-scales currently envisaged by the Directors.

### *Product Risk*

To be competitive the Group must successfully gain acceptance of their product in the commercial vehicle and/or rail industries. There can be no assurance that the Group will do so.

### *Continuing Losses*

The Group has incurred net losses to date. These losses have arisen mainly from the costs incurred in research and development and general administrative costs. There can be no assurance that the Group will achieve profitable operations.

### *Further Funding*

The development of the Group is dependent on it having sufficient capital to finance further growth. Whilst the Directors believe that the Group has sufficient cash resources at present to meet its immediate working capital requirements, that is for at least one year from the date of Admission, there can be no assurance that there will not be a requirement for the Company to raise further funds in the future. If the Group is unable to obtain additional finance as needed it may be required to reduce the scope of its operations or its planned expansion or even cease trading. Existing shareholders may be materially diluted by any further issue of Ordinary Shares by the Company.

### *Patent Protection*

The Directors consider that the majority of the Group's business is dependent upon the continuing maintenance of the original patents and the ongoing prosecution of the filed applications.

Whilst no claims have been indicated or received there can be no assurance that claims against the Group regarding infringement of patent applications in course of examination or other intellectual property rights will not be asserted by third parties from time to time with respect to the Group's products or that the Group's products will not infringe patent, trade mark, copyright or other proprietary rights of third parties. Additionally, in the event of such infringement, there can be no assurance that the Group will be able to obtain licenses on reasonable terms, if at all.

Failure to obtain pertinent licenses or to modify appropriately the Group's product designs could have a material adverse effect on the Group's operating results and financial position.

### *Retention of Key personnel*

The Group depends on its technical and management team. The departure from the Group of any of the Executive Directors or consultants could, in the short term, have a materially adverse affect on the Group's business. Whilst the Group has entered into appropriate agreements with each of these persons, the retention of their services cannot be guaranteed.

### *Competition*

It is possible that companies other than the Group may have projects which are not known to the Group and which could render the Group's products less competitive or obsolete. New entrants may emerge and competitors may develop more effective and more cost competitive technologies than, or may produce products superior to, those of the Group.

### *Marketability of Ordinary Shares*

The Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on the PLUS Market this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. The PLUS Market is not AIM or the Official List. Consequently, it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid. The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets or operations.

The share prices of public companies are often subject to significant fluctuations. In particular the market for shares in smaller public companies is less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell.

Copies of the Admission Document are available during normal business hours on any weekday (Saturdays and Public Holidays excepted) and shall remain available for at least one month after the

date of admission to trading on PLUS at the offices of Watlington Securities Limited, 36 Elder Street, London E1 6BT.

The Directors of Wheelsure Holdings plc accept responsibility for this announcement.

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31st August, 2007.

