

REG-EAG Limited Trading Statement

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EAG Limited

28 August 2008

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EAG Limited

("EAG" or the "Company")

Trading Statement

On 18 July 2008, the Company reported that the performance of the Surface Analysis division had been above, whilst that of the 'release to production' ("RTP") division had been below, management expectations. In aggregate, therefore, the performance of the two trading divisions for the first half of the year was broadly in line with management expectations. At the same time, however, the Company reported that exceptional costs in relation to the strategic review and other non-trading related costs were significantly higher than budgeted and as a consequence of these exceptional costs, EAG's overall performance was below budget.

Since the date of this statement, trading in the Surface Analysis and RTP divisions has continued to follow this trend. Exceptional costs in relation to the strategic review and other non-trading and non-recurring related costs have been meaningful, which has resulted in profits being below expectations.

The Board recognises that the competitive bid situation has resulted in additional exceptional costs and has generated uncertainty particularly with respect to the Company's RTP business. Consequently, the Company is maintaining ongoing discussions with its finance providers who continue to be supportive, conditional on the sale process being brought to a successful conclusion.

The Company plans to release its half yearly report for the six months to 30 June 2008 on or before 30 September 2008.

Enquiries:

EAG
Ian Johnson - Chairman of the committee of Independent
Directors of EAG

Tel: +44 7785 324 384

Lazard (nominated adviser and joint financial adviser to EAG)
Tel: +44 20 7187 2000

Francis Smedley
Nick Fowler

Numis (joint financial adviser and broker to EAG)
Brent Nabbs

Tel: +44 20 7260 1000

James Black

Citigate Dewe Rogerson (PR adviser to EAG)

Tel: +44 20 7638 9571

Kevin Smith

Lindsay Noton

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