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Mallett PLC

Return of cash to shareholders of £8.7million

Mallett PLC (the "Company" or "Mallett") announces that it has today posted a circular to its Shareholders (the "Circular") and is convening an Extraordinary General Meeting, to be held on 6 June 2007 immediately following its Annual General Meeting, to obtain Shareholder approval for the proposed return of £8.7million of cash (equivalent to 63 pence per existing Ordinary Share) to Shareholders

Introduction

On 30 April 2007, we announced that we proposed to return £8.7 million to Shareholders as a result of the sale of Bourdon House for £14.3 million. This was after we had undertaken a detailed assessment of the appropriate cash requirements of the Company for payment of taxes and expenses on the sale, for investment in the current business, including the Company's pension scheme, and for investment in future opportunities, including the contemporary designs venture and the recently announced merger of our restoration business with H J Hatfield & Sons Limited.

The proposed Return of Cash is being made by way of a B Share Structure in respect of approximately £8 million and a Special Interim Dividend in respect of the remaining approximately £0.7 million. The B Share Structure is intended to give Shareholders a choice as to when, and in what form, they receive their proceeds.

Shareholder approval is required for the B Share Structure and accordingly an Extraordinary General Meeting is being convened at the offices of Mallett, 141 New Bond Street, London W1S 2BS at 10.45am or, if later, immediately following the Annual General Meeting on 6 June 2007. The Notice of the EGM is set out in the Circular.

B Share structure

Under the B Share Structure, Shareholders will receive one B Share for each Ordinary Share held on the record date for the B Share issue (see Expected Timetable of Events below). Shareholders will then have three choices with respect to their B Shares which are summarised below.

The B Shares to be issued in connection with the B Share Structure will not be listed on the Official List or admitted to trading on the LSE or any other securities exchange. The Ordinary Shares will continue to be listed on the Official List and admitted to trading on the main market for listed securities of the London Stock Exchange.

The B Share alternatives

Shareholders will have the following alternatives in relation to B Shares to be issued to them.

Alternative 1: Single B Share Dividend

If you choose this alternative in respect of any or all of your B Shares, you will receive a the Single B Share Dividend of 58 pence per B Share on or about 29 June 2007 in respect of those B Shares, following which you will no longer hold those B Shares which will become deferred shares having very limited rights. This dividend will be in addition to the Special Interim. The Single B Share Dividend of 58 pence per B Share will be treated as income for UK tax purposes.

Alternative 2: Initial Repurchase Offer

If you choose this alternative in respect of any or all of your B Shares, Teather & Greenwood, the Company's broker, will buy those B Shares for 58 pence per B Share on or about 15 June 2007, free of all dealing expenses and commissions. You will receive payment for such B Shares on or about 29 June 2007.

The payment by Teather & Greenwood of 58 pence for each B Share pursuant to the Initial Repurchase Offer will generally be treated as capital for UK tax purposes.

Alternative 3: Future Repurchase Offers

If you choose this alternative in respect of any or all of your B Shares, you will retain those B Shares and you will have the opportunity to sell them in the future for 58 pence per B Share, free of all dealing expenses and commissions, in the same manner as described in Alternative 2. Additionally, while you hold those B Shares, you will be entitled to receive a dividend on your B Shares at the rate of 75 per cent. of 12 month LIBOR, payable annually in arrears on the amount of 58 pence per B Share.

It is currently expected that there will be further offers by Teather & Greenwood to purchase B Shares following the annual general meetings of Mallett in 2008 and 2009. Following the final Repurchase Offer in 2009 (or, if there is no Repurchase Offer in 2009, on 30 September 2009), if you continue to hold B Shares then provided the Company has sufficient distributable profits, you will receive a dividend of 58 pence per B Share in respect of those B Shares still retained together with any accrued B Share dividend up to the date of payment of such dividend, following which you will no longer hold those B Shares which will become deferred shares having very limited rights.

Any payment by Teather & Greenwood of 58 pence for each B Share purchased pursuant to any Future Repurchase Offers will generally be treated as capital for UK tax purposes.

Based on the closing middle market price of 234.5 pence per Ordinary Share on 11 May 2007 (the latest practicable date prior to the posting of the Circular), the proposed B Share Structure represents approximately 24.73 per cent. of Mallett's market capitalisation at that date.

Special Interim Dividend

The Special Interim Dividend will not be declared unless the Resolution is passed at the EGM. If the Resolution is passed, Mallett intends to declare the Special Interim Dividend of 5 pence per Ordinary Share on 7 June 2007 to Shareholders on the register on 15 June 2007. It will also be in addition to any payment due to Shareholders under the B Share Structure.

The Special Interim Dividend will be in addition to the final dividend of 6.8 pence per Ordinary Share for the financial year ended 31 December 2006, which will be paid on 14 June 2007 to Shareholders on the register at the close of business on 11 May 2007, provided the appropriate resolution is passed at the Annual General Meeting.

Circular

The Circular in connection with the Return of Cash has been posted to Shareholders today.

The Circular will shortly be available to the public for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

(UKLA telephone helpline +44 (0) 20 7066 8333)

Enquiries

Mallett PLC:

Michael Smyth-Osbourne (FD)- +44 (0) 20 7499 7411

Teather & Greenwood:

James Glancy / Tom Hulme - +44 (0) 20 7426 9593

EXPECTED TIMETABLE OF EVENTS

2007

Latest time and date for receipt of Form of Proxy for Extraordinary General Meeting	10.45am on 4 June
Extraordinary General Meeting	10.45am on 6 June
Special Interim Dividend declared	7.00am on 7 June
Record Date for the B Share issue	5.00pm on 7 June
B Shares enabled in CREST and CREST accounts credited with interim B Shares	8.00am on 8 June
Latest time for receipt of Election Forms and USE instructions from CREST holders in relation to the B Share alternatives	4.30pm on 14 June
Single B Share Dividend declared, B Shares in respect of which the Single B Share Dividend is payable convert into deferred shares	7.00am on 15 June
Teather & Greenwood makes the Initial Repurchase Offer to purchase B Shares by means of an announcement on the Regulatory News Service of the London Stock Exchange	7.00am on 15 June
CREST accounts credited with B Shares where holders have elected to retain B Shares	8.00am on 15 June
Record date for the Special Interim Dividend	5.00pm on 15 June
Despatch of retained B Share certificates, sale advices and cheques in respect of the Special Interim Dividend, Single B Share Dividend and/or B Shares purchased under the Initial Repurchase Offer, and CREST accounts credited	29 June

Notes:

1. The EGM will start at 10.45am or, if later, immediately following the AGM.
2. References to time in this announcement are to London time.
3. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on the Regulatory News Service of the London Stock Exchange.
4. All events in the above timetable following the EGM are conditional upon approval by Shareholders of the Resolution to be proposed at the EGM.

DEFINITIONS

"B Shares"	non-cumulative non-voting preference shares of 37.45 pence each in the capital of the Company
"B Share Structure"	the proposed B Share issue and the B Share alternatives described in this announcement
"Board" or "Directors"	the board of directors of Mallett
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which pounds sterling deposits may be dealt in on the London inter-bank market and commercial banks are open for general business in London
"Company" or "Mallett"	Mallett PLC, registered in England and Wales with company number 1838233
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo Limited is the Operator (as defined in such regulations)
"Future Repurchase Offers"	the offers expected to be made by Teather & Greenwood, (or such other person as the Directors may determine) acting as principal, to purchase B Shares following the annual general meetings of Mallett in 2008 and 2009
"Initial Repurchase Offer"	the initial offer to be made by Teather & Greenwood, acting as principal, to purchase B Shares on 15 June 2007
"LIBOR"	the rate for 12 month deposits in pounds sterling which appears on the display designated as page ISDA on Reuters (or such other page or service as may replace it for the purpose of displaying London inter-bank offered rates of leading banks for pounds sterling deposits as determined by the Company), at or about 11.00am (London time) on the first Business Day of

	each B Share dividend calculation period
"London Stock Exchange"	London Stock Exchange plc
"Official List"	the official list maintained by the UK Listing Authority for the purposes of Part 6 of the Financial Services and Markets Act 2000, as amended
"Ordinary Shares"	issued ordinary shares of 5 pence each in the capital of Mallett
"Repurchase Offer(s)"	the Initial Repurchase Offer or the Future Repurchase Offers, as the context may require
"Resolution"	the special resolution to be proposed at the Extraordinary General Meeting to implement the Return of Cash
"Return of Cash"	the transaction comprising the B Share Structure and the Special Interim Dividend
"SEC"	US Securities and Exchange Commission
"Securities Act"	United States Securities Act of 1933 (as amended) and the rules and regulations promulgated thereunder
"Shareholders"	holders of Ordinary Shares and/or B Shares, as the context may require
"Single B Share Dividend"	the dividend of 58 pence per B Share
"Special Interim Dividend"	the dividend of 5 pence per Ordinary Share
"Teather & Greenwood"	Teather & Greenwood Limited, broker to Mallett
"US or United States"	the United States of America, its territories, possessions, any State of the United States of America and the District of Columbia
"USE instruction"	Unmatched Stock Event instruction

Teather & Greenwood Limited is acting exclusively for Mallett PLC and is acting for no one else in connection with the Return of Cash and will not be responsible to anyone other than Mallett PLC for providing the protections afforded to customers of Teather & Greenwood Limited nor for providing advice in connection with the

Return of Cash or the contents of this announcement or any other matter referred to herein.

This announcement does not constitute an invitation to underwrite or subscribe for any securities or investment advice in any jurisdiction.

Nothing in this announcement should be taken as constituting an offer of shares in Mallett PLC.

This announcement should not be transmitted, distributed or released in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction. This announcement does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful.

The distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by local law and therefore persons into whose possession this announcement or the Circular come should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the B Shares have been or will be registered under the US Securities Act, as amended or the securities laws of any other United States jurisdiction, and none of them may be offered or sold in the United States unless pursuant to an exemption from or in a transaction not subject to the registration requirements of the US Securities Act or unless pursuant to a transaction that has been registered under the US Securities Act and the securities laws of any other relevant United States jurisdiction.

Neither the B Shares nor this announcement have been approved, disapproved or otherwise recommended by the SEC or any United States state securities commission or any non-United States securities commission or regulatory authority nor have such authorities confirmed the accuracy or determined the adequacy of this announcement or the Circular. Any representation to the contrary is a criminal offence in the United States.