

SPARKIE BABES POST ON CIF EGM

Sort of still on train ... indulging in another feast courtesy of Mr Branson

What an abject waste of time as might have been expected. Meeting opened 10.30 and closed 10.55.

Me plus one other 'PI', an army of accountants, lawyers etc, (Lazards and Ernst & Young) numbering about 15, to deal with any awkward questions from the floor.

Mr McWalter was on other business and did not attend; the finance chap, Jamie Smith, was on holiday – jammy sod! Otherwise the top table comprised the same crew as at the AGM.

Opening statement from MY was brief – no major new news since AGM.
Constructive discussions are ongoing with debt providers to reconstruct finance arrangements.

Hearing of the 'bond' court case likely to be October, until then standstill agreement remains in place.

Company trying to control costs (but no enlightenment on how was forthcoming).

Proceeds from sale will go towards paying off some debts.

CIF was chosen to 'sell off' because it does not fit business model for Cattles as it handles business customers not ordinary private ones that the other divisions do.

Questions (qu) and answer (ans) session very limited as so few present.

qu – based on documents held in Leeds office – checking that bonuses accrued had not been paid for 2008 and 2009- referred to lawyers by MY

ans – yes.

Note - it took several attempts by the questioner to elicit an answer so I have summarised it

qu – what was role of E&Y in the process of selling CIF?

ans – from E&Y reps plus MY – looked for best deal and signed up buyer.

again, note – questioner pursued the qu until a meaningful response was forthcoming.

qu – is the sale of CIF the best option for Cattles?

ans – yes, for intended business model being considered.

qu – on page 14 of large document published on website it states that 'investors could lose all or part of the value of their investment. What is current value?

ans – difficult to say but essentially no current value feasible to assign.

qu – when will CTT be re-listed?

ans – maybe when restructuring and refinancing completed after accounts signed off.

(note here the 'maybe', I did not get a great deal of confidence from MY's response)

qu – is the business being run down to extinction?

ans – no, it is hoped to keep a more private customer focussed approach with the current setup (without CIF)

qu – was a recognised business analysis approach taken to deciding to sell CIF?

ans – not really but presumed SWOT as MY then struggled to give one strength, one weakness, one opportunity and one threat.

qu – has a monetary value been assigned to other sections of the company eg TLG, Shopacheck, etc?

ans – considered but not in any great detail or depth.

qu – any intentions to flog off other areas/sections?

ans – no.

qu – what is current nett worth of each part of the organisation?

ans – cannot give a reply

qu – where did 200mill quid from rights issue go?

ans – revenue, to fund loans etc

ok, let's vote! You can see the percentages in the RNS.

Meeting over.

Sorry this is a bit jumbled but it is hard to take notes stood up, perched on purple high heels, legs quaking, asking questions. If I have missed any question that people wanting asking, sorry, but I can always email MY or Mr Todd if you have supplementaries.

A chat took place over a fag afterwards with one of the 'board' asking that the website be kept up to date with progress, happenings, plans etc., this may or may not come to fruition.

If I remember anything else I will add it later; if I have said anything wrong I am sure that some big cheese in CTT is monitoring this bb and will put me right!!! As the only slob in culottes and purple shoes at the meeting amongst all the 'suits' it is abundantly clear which one was me!!

MY POST ON CIF EGM

Well done to the Lady in Purple

She asked if MY would say how much was in each company's bank accumulated from the collections but the answer was a don't know- not a wont tell you.

There was enough to pay the assembled lawyers and accountants however!

Between them they managed to be led by the nose to the bonuses to be paid after the sale goes through:

£505,000 to CIF management for 2008;

approx 8/12 of that amount for current year to date- another £300k;

and

£428,640 ("transaction bonus") payable to senior management of CIF on sale agreed to keep them in place whilst deal went through. (see document 23.2.8.1.42 in the Data Room documents)

These amounts are not included in the £2m "transaction costs"- a fine slant on the english language as applied by CTT and its advisors.

Agree to pay £428k if deal goes through and it is not a cost of the transaction!

None of them could come up with any tangible benefit accruing to shareholders in consequence of the transaction- clearly in our best interests!

Nor could MY explain the value (which shareholders might lose) presently attached to CTT shares.

Merely me being pedantic but if I have nothing I have nothing to lose!

As to future:

1 is standstill

2 is restructuring plan(s) to be agreed with banks and bondholders.

No mention of accounts

No mention of relisting which cannot happen until restructuring.

Only light on the horizon is continued mention of restructuring AND statement that no intention to sell any other parts of CTT.

So the lean mean cattles machine looks like it is to be restructured which can only be on the basis of debt holders altering the structure of their debt.

Inclination from board to involve shareholders in anything is about the same as value of CTT share so that might give a clue as to what is going to be left for shareholders!

To the cynic the plot is to keep as many on board to keep snouts in trough whilst employees keep filling it up.

Make your bid now because if it is the only bid on the table (as with CIF) they might take it!

Proceeds will not cover closure costs of car sales!

At least the board know that some PIs are not going away or taking being ripped off lightly.