

AutoLogic Holdings plc (“AutoLogic” or the “Company”)

OPTION AGREEMENT
in relation to
SHAREHOLDING IN GLOBAL AUTOMOTIVE LOGISTICS SAS (“GAL”)

The Board of AutoLogic announces that on 31 July 2006 the Company entered into an option agreement (the “Option Agreement” and “Option”) with Wallenius Lines AB (“Wallenius”) granting Wallenius the right to acquire the Company’s 40% shareholding in GAL (the “GAL Shares”). The Option Agreement is conditional on approval by the shareholders of the Company in the event that the Company’s entire issued share capital is not cancelled from the Official List and admitted to trading on the AIM market of the London Stock Exchange following an EGM convened on 9 August 2006. Further details are set out in the attached detailed announcement.

John Merry, Chief Executive of AutoLogic, commented:

“I am pleased that we have reached an agreement which realises value for our shareholding in GAL. The agreement reached with Wallenius should facilitate a restructuring of GAL’s debt and negotiation of long term commercial arrangements with Renault which we expect will in turn result in the exercise of the Option. If the Option is exercised, this will produce further value for our GAL Shares and will free up key management resources to focus on our wholly owned businesses.”

Neil Johnson, Chairman of AutoLogic, commented:

“This agreement is an important step for AutoLogic, particularly following on from the disposal of our wholly owned Walon France operations in May. I am especially pleased that the funds realised by this transaction also enable us to repay early a significant element of our mezzanine bank debt and consequently reduce our borrowing costs. Whether or not the Option is ultimately exercised, we will continue to concentrate on repaying our mezzanine debt as swiftly as possible and to focus our strategy on developing our wholly owned core businesses and related value added services.”

Enquiries

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OPTION AGREEMENT
in relation to
SHAREHOLDING IN GLOBAL AUTOMOTIVE LOGISTICS SAS (“GAL”)

1. Introduction

The Board of AutoLogic announces that on 31 July 2006 the Company entered into a conditional option agreement (the “Option Agreement”) with Wallenius Lines AB (“Wallenius”) granting Wallenius the right to acquire the Company’s 40% shareholding in GAL (the “GAL Shares”).

Option Price

€10.0 million (£6.9 million) has been paid in cash to AutoLogic for the grant of the option (the “Option” and the “Option Price”) pursuant to the Option Agreement.

Exercise Price

If the Option is exercised, Wallenius will pay to AutoLogic a further €10.0 million (£6.9 million) (the “Exercise Price”) in cash in consideration of the transfer to Wallenius of the GAL Shares. The payment of the Option Price is not conditional on the subsequent exercise of the Option but, if the Option is exercised and AutoLogic fails to transfer the GAL Shares in accordance with the Option Agreement, the Option Price will be repayable with interest (at EURIBOR plus 4%).

Additional Consideration

If the Option is exercised, additional consideration of up to €6.0 million (£4.1 million) may become payable to AutoLogic depending on the outcome of negotiations to restructure certain of the debt obligations of GAL. However, the Board considers that any such additional consideration should be regarded as highly contingent.

Conditionality

The Option Agreement is conditional on obtaining any necessary approval from the shareholders of the Company thereto required under the UKLA Listing Rules.

As announced on 7 July 2006, the Company is convening an EGM on 9 August 2006 to seek shareholder approval for the entire issued share capital of the Company to be cancelled from the Official List and admitted to trading on the AIM market of the London Stock Exchange. If the resolution is passed, the Company anticipates cancellation occurring on 11 September 2006, at which point the Company will not be subject to the Listing Rules and will not be required thereunder to seek shareholder approval for the Option Agreement.

In the event that the resolution relating to the AIM transfer is not passed the Company will seek shareholder approval for the Option Agreement.

If shareholder approval for the Option Agreement is required and is not obtained, AutoLogic will be obliged to return the Option Price to Wallenius.

Exercise Period

The Option is exercisable, at Wallenius’ discretion, until 1 December 2006. There is no obligation on Wallenius to exercise the Option.

Loan to GAL

In December 2005, the Company made a loan to GAL of €7.0 million (£4.8 million) (the “GAL Loan”) which was subordinated to the existing debt of GAL. On 17 May 2006, GAL entered into Procedure de Sauvegarde under French law which placed a standstill on creditors’ claims against GAL. On 18 May 2006, the Company announced that it was fully impairing its investment in GAL and would be making a full provision against the GAL Loan. If the Option is exercised and the Company therefore ceases to be a shareholder in GAL, the Company will transfer the GAL Loan to Wallenius for no consideration (being, in the view of the Directors, the market value of the GAL Loan having regard to the level of debt in GAL, the Procedure de Sauvegarde and the future prospects of GAL).

2. Background to and Reasons for the granting of the Option

The Company acquired its shareholding in GAL in July 2001.

GAL is the holding company of Compagnie d’Affrètement et de Transport SA (“CAT”), which provides logistics services predominantly to Renault in Europe and South/Central America.

Since the acquisition of GAL, trading conditions in the French finished vehicle logistics market (GAL's largest market) have been particularly challenging. New vehicle registrations in France as a whole declined by 8.3% between 2001 and 2005 inclusive. Further, CAT's principal customer, Renault, has during this period been unable to maintain its market share giving rise to volumes of business available to CAT reducing at a greater rate than the general decline in the new car market. In addition, significant cost increases, especially in fuel and sub-contractor costs, contributed to a sharp deterioration in the results of GAL, which fell from a profit before tax of €9.4 million (£34.1 million) in the financial year ended 31 December 2001 to a pre-tax loss of €30.6 million (£21.1 million) in the year ended 31 December 2005. In addition, the principal contract of CAT, its logistics contract with Renault, is due to expire in March 2008 and, although dialogue has commenced between CAT and Renault in relation to renewing this contract, there is no certainty that a new contract with Renault will be secured.

At the time of the acquisition of CAT from Renault by GAL in July 2001, GAL assumed debt of €25.0 million (£224.1 million) (the "GAL Debt"), of which €98.0 million (£205.5 million) was used to pay the purchase price to Renault. GAL's only source of funds in order to meet its interest and capital payments in respect of the GAL Debt is from CAT. As a result of the deterioration in the financial and trading position of CAT and the uncertainty surrounding the future of CAT's principal contract with Renault, CAT was not in a position to make funds available to GAL in order to enable GAL to meet its obligations under the GAL Debt which fell due at the end of May 2006 and, accordingly, GAL filed for and was granted protection under the Procedure de Sauvegarde.

AutoLogic and Wallenius have concluded that the ability of GAL to implement a successful restructuring of the GAL Debt and for CAT to negotiate a new logistics contract with Renault on terms required to secure the financial future of CAT will be facilitated by entering into the Option Agreement giving Wallenius the opportunity but not the obligation to become the majority shareholder in GAL. Absent such an arrangement, the Company believes that the future prospects of GAL (and consequently the chances of securing any value for the GAL Shares) would have been highly uncertain.

In the light of this, the Board has concluded that it is in the best interests of the Company, the Autologic Group and the Shareholders that the Option Agreement be entered into and, if the Option is exercised, that the GAL Shares be transferred to Wallenius.

Notwithstanding the granting of the Option, the Company will retain its positions on the Board of GAL and CAT pending any transfer of the GAL Shares to Wallenius.

3. Information on GAL

GAL is the holding company of CAT which provides national and international logistics services for new and used finished vehicles across Europe and South/Central America. The principal customer of CAT is Renault.

For the year ended 31 December 2005, GAL generated a consolidated pre-tax loss of €30.6 million (£21.1 million) on turnover of €1,182.0 million (£815.2 million). The gross assets of GAL as at 31 December 2005 under French GAAP were €762.7 million (including goodwill of €344.4 million) (£526.0 million including goodwill of £237.5 million). Excluding goodwill, GAL had net liabilities as at 31 December 2005 under French GAAP of €156.9 million (£108.2 million).

4. Financial Effects of the Option Agreement

The net cash proceeds arising from the grant of the Option are expected to be approximately €9.4 million (£6.5 million) (after estimated expenses of €0.6 million (£0.4 million)). The net cash proceeds arising from any exercise of the Option would be expected to be approximately €9.8 million (£6.8 million) (after estimated expenses of €0.2 million (£0.1 million)). The net proceeds arising from both the grant of the Option and any exercise of the Option will be used to reduce the mezzanine element of the Company's corporate borrowings. If the Option is exercised, the Exercise Price would be expected to be received no later than 8 December 2006.

Note: An exchange rate of €1:£0.69 has been used throughout this Announcement.