



BEGBIES TRAYNOR GROUP PLC
("the Group")

AGM Statement

Trading Update

Begbies Traynor Group plc, the specialist professional services consultancy, is today holding its Annual General Meeting.

Ric Traynor, Executive Chairman, will make the following remarks at the AGM:

“Group trading in the first four months of the current financial year has been in line with market expectations for the year as a whole.

The Market

As referred to in the Group’s final results announcement in July 2010, activity levels in our core insolvency business, which accounts for 80% of Group revenues, are significantly influenced by the number of UK insolvencies.

Government insolvency statistics for the second quarter of calendar year 2010 (announced by the Insolvency Service in August 2010 following the Group’s final results) showed an 18% decrease in the number of insolvency procedures to 5,405 from 6,588 in the same period in the prior year and a 2% decrease compared to the first quarter of calendar year 2010. This represents the sixth consecutive quarterly decline in corporate insolvencies.

The Group’s view is that this continuing decline has been caused by the combination of lenient creditor attitudes and temporary government support initiatives, including quantitative easing, time to pay schemes and low interest rates.

Current Trading & Financial Position

Activity levels in the insolvency division have been constrained by the market conditions described above. However, this has been partially mitigated by improved performance in the Group’s non-insolvency businesses which, as expected, have benefitted from the restructuring of these operations in the previous financial year.

The Group expects a cash outflow in the first half of the financial year following an increase in working capital lock up, reflecting a lengthening in the cycle of insolvency cases due to economic conditions. Further investment has also been made in the Group’s organic and acquisitive development, including the acquisition of Tomlinsons earlier in the

period. The Group remains comfortably within its banking facilities, which were increased in April 2010 to provide a more flexible and longer term financing structure.

Outlook

Over the short to medium term, we anticipate a period of growth as the number of corporate insolvencies rise in line with historical patterns following a recession and as SMEs start to feel the full impact of the gradual unwinding of government support measures and the public sector spending cuts.

Given the particular characteristics of this economic cycle, with interest rates expected to be kept at relatively low levels for some time, we expect this growth to be more gradual and prolonged than following previous recessions.

In this context, we anticipate a greater second half weighting to the Group's performance in the current financial year, resulting from the anticipated incremental flow in new insolvency engagements through the financial year.

At this early stage of the financial year, the outlook for the full year remains unchanged and is in line with market expectations.

An update on our performance for the six months ending 31 October 2010 will be provided in early December."

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Information on Begbies Traynor Group can be accessed via the Group's website at www.begbies-traynorgroup.com