

The following information is extracted from a circular which will be posted to Shareholders (the "Circular"). Copies of the Circular will be available at the offices of FinnCap (4 Coleman Street London EC2R 5TA) upon request. Definitions used in the Circular apply in this announcement unless the context otherwise requires.

Placing to raise £1 million

Notice of General Meeting

ILX Group plc (AIM:ILX) is pleased to announce a conditional placing of, in aggregate, 4,070,000 Ordinary Shares at a price of 25 pence per share. Once completed and assuming full subscription under the Placing, the proceeds available for the Company will be £1,017,500 (before expenses). The purpose of the Placing is to strengthen the Company's balance sheet and provide working capital to fund the future growth of its business.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares.

General update

The Company has grown substantially over the last five years. It has increased revenue in that time from turnover of £1.6 million for the year ended 31 March 2004 to turnover of £15.6 million for the year ended 31 March 2009. This growth has been achieved through both acquisitive and organic growth, funded through bank debt, new share issues and deferred contingent consideration for acquisitions. The Company now provides training principally across the areas of PRINCE2, where it is the UK market leader, ITIL, and Finance.

More recently, since the Company's last acquisition in July 2006, the Company has gone through a period of consolidation during which the acquired businesses have been integrated with the Company's existing operations. The Company also announced in its recent unaudited interim results that annualised cost savings in excess of £1.3 million are expected, taking effect from 1 October 2009. During this period of consolidation our net debt, including deferred consideration, has been reduced from £7.3 million at 31 March 2007 to £4.3 million at 30 September 2009. In addition, the Company has returned more than £0.7 million in cash to shareholders by way of a dividend programme which commenced in 2006.

The recently announced unaudited interim figures show good trading despite difficult conditions in the financial training sector, with strong growth of the Company's e-Learning products in particular. The Company is now ready for its next phase of growth.

Strategy for growth

The Directors intend to grow the Company's share of the existing PRINCE2, ITIL, and Finance training markets within the UK, Europe, and the US. In particular, the Company plans to invest in products and people to enable the Company to grow ITIL and Finance revenues towards the point where the Company can start to build strong positions in those areas and emulate what the Company has achieved with PRINCE2.

The Directors also intend for the Company to gain further global market share through expansion into overseas markets, in particular Australia, South Africa and the Middle East. This will be done initially through building on their existing direct sales and export capabilities, with the establishment of overseas subsidiaries where local regulations require or where volumes of business dictate. The Company will also consider acquisition opportunities where these can be easily integrated and where this will provide immediate increased market share or geographical coverage.

The Company also aims to enter new markets for subject areas that have been and will be identified as fitting their criteria of accredited training capable of delivery through high quality e-Learning, supported by classroom training if necessary. The Directors have already identified the Software Testing training market, accredited by ISEB, as one such opportunity, and a repackage of the Finance e-Learning combined with a University accreditation as another. Other new market opportunities for the Company will be actively researched.

Details of the Placing and Directors participation

The Company is proposing to raise, in aggregate, £1,017,500 (before expenses) by means of the Placing. The Placing Shares will rank in full for all dividends and otherwise *pari passu* with the existing Ordinary Shares from the date of Admission.

Certain Directors have agreed to subscribe for New Ordinary Shares under the Placing as follows:

<i>Director</i>	<i>Number of Existing Ordinary Shares currently held</i>	<i>Number of new Ordinary Shares conditionally subscribed for</i>	<i>Percentage of enlarged issued share capital</i>
Ken Scott	219,328	160,000	1.61%
Jon Pickles	162,536	160,000	1.37%

It is expected that the Placing Shares will be admitted to trading on AIM on 8 January 2010. The Placing is conditional, *inter alia*, upon:

- shareholder approval of the Resolutions at the General Meeting;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- Admission of the Placing Shares

in each case by no later than 8:00 a.m. on 8 January 2010 (or such time and date as the Company and FinnCap may agree, being not later than 31 January 2010).

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that Admission on AIM will become effective and that dealings will commence on 8th January 2010.

Related Party Transaction

The placing of shares with Ken Scott (Chief Executive) and Jon Pickles (Finance Director) are classified as a related party transaction for the purposes of the AIM Rules. The Independent Directors of the Company, having consulted with FinnCap, as nominated adviser to the Company, consider the Placing to be fair and reasonable insofar as the Shareholders are concerned. In providing advice to the Independent Directors, FinnCap has taken into account the Independent Directors' commercial assessments.

General Meeting

A notice convening the General Meeting to be held at the offices of Maclay Murray & Spens LLP, 12th floor, One London Wall, London EC2Y 5AB at 10:00 a.m. on 7th January 2010 is set out at the end of the Circular.

At the General Meeting, the Resolutions will be proposed to grant the Directors the authority to allot the Placing Shares without first offering them to existing Shareholders on a pre-emptive basis.

The Directors appreciate that it would be normal when a company issues a material number of new shares for cash for that issue to be fully pre-emptive i.e. to incorporate an offer to all Shareholders. However, the Directors believe it would not be in Shareholders' best interests to incur the significant additional expense that would be required for such an offer to Shareholders to be implemented.

The Directors have therefore concluded that seeking general authority from Shareholders to issue Ordinary Shares other than on a pre-emptive basis is the most flexible and cost effective method available to the Company.

Resolution 1 in the Notice of General Meeting seeks to give the Directors authority to allot up to 7,855,784 Ordinary Shares (inclusive of the Placing Shares) in substitution for the authority given to the Directors at the AGM. After the Placing, the Directors would have authority to allot approximately one-third of the issued share capital. There is no current intention for the Directors to utilise this authority other than in respect of the Placing Shares.

Resolution 2 in the Notice of General Meeting seeks to empower the Directors to allot and issue the Placing Shares and other than in connection with a rights issue an additional 2,356,735 Ordinary Shares (being 10 per cent. of the issued share capital of the Company as enlarged by the Placing) without first offering such Ordinary Shares to existing Shareholders. This power is in substitution to the power given to the Directors at the AGM. There is no current intention for the Directors to utilise this authority other than in respect of the Placing Shares.

Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions from the Directors who in aggregate have a beneficial interest in respect of 512,433 Ordinary Shares representing approximately 2.62 per cent. of the existing issued share capital of the Company.

Recommendation

The Independent Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Independent Directors unanimously recommend that the Shareholders vote in favour of all of the Resolutions to be proposed at the General Meeting as the Directors intend to do in respect of their own beneficial holdings.

For Further information

ILX Group plc 020 7751 7100

Ken Scott, Chief Executive

FinnCap 020 7600 1658

Marc Young

PLACING STATISTICS

Placing Price	25 pence
Gross proceeds of the Placing	£1,017,500
Number of Ordinary Shares in issue immediately prior to the Placing <i>Note: Assuming no further issues of Ordinary Shares on or before Admission)</i>	19,497,352
Number of Placing Shares to be issued pursuant to the Placing	4,070,000
Number of Ordinary Shares in issue at Admission <i>(Note: Assuming no further issues of Ordinary Shares on or before Admission)</i>	23,567,352
Number of Ordinary Shares under option at Admission <i>(Note: Assuming no further granting of options on or before Admission. In addition to this, 1,930,891 shares have been issued to Investec Trust to satisfy management options upon vesting)</i>	119,359
Placing Shares expressed as a percentage of the enlarged issued share capital of the Company at Admission	17.3 per cent.

EXPECTED TIMETABLE FOR ADMISSION

Publication of this document	14 th December 2009
Latest time and date for receipt of Forms of Proxy	10:00 a.m. on 5 th January 2010
General Meeting	10:00 a.m. on 7 th January 2010
Admission and dealings in the Placing Shares expected to commence on AIM	8:00 a.m. on 8th January 2010
Expected date for CREST accounts to be credited (where applicable)	8th January 2010

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

“Admission”	the admission of the Placing Shares to trading on AIM, becoming effective in accordance with the AIM Rules
“AGM”	the annual general meeting of the Company held on 25 September 2009 at 10:00 a.m.
“AIM”	the AIM market of London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Board”	the board of directors of the Company
“the Company”	ILX Group plc
“Directors”	the directors of the Company, whose names are set out on page 5 of this document
“FinnCap”	JMFinn Capital Markets Limited
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company convened for 10:00 a.m. on 7 th January 2010 (or any adjournment or postponement thereof)
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares pursuant to the Placing Agreement
“Placing Price”	25 pence per Placing Share
“Placing Shares”	4,070,000 new Ordinary Shares which are to be placed in accordance with the terms of the Placing Agreement
“Resolutions”	the resolutions numbered 1 and 2 set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares