



Dyson Group Plc
("Dyson" or "the Company")

**UPDATE ON DIALOGUE WITH BANKS
UPDATE ON COMPANY ACCOUNTS
TRADING UPDATE
AND
BOARD UPDATE**

KEY POINTS

- Significant progress made in ongoing negotiations with banks and key stakeholders towards agreeing a solvent debt and capital restructuring of the Company.
- Encouraging trading momentum over the last three months within Saffil, the Group's principal remaining operating business.
- Operational restructuring of the business progressing well.
- Julian Cooper to join the Board as Interim Chief Executive Officer.
- Resignation of Dr. Krishnamurthy Rajagopal as Non-Executive Director.

Commenting on today's developments, Christopher Honeyborne, Group Chairman, said:

"Significant progress has been made in our ongoing negotiations with the Company's banks and other key stakeholders towards agreeing a solvent debt and capital restructuring of the Company. The Board intends to write to shareholders with a set of proposals when detailed terms have been agreed."

"At the same time the operational restructuring of the Group is progressing well. Trading within Saffil has now started to show clear signs of improvement which is particularly pleasing and testament to the real strengths of that business."

"I would also like to take the opportunity to thank Dr. Krishnamurthy (Raj) Rajagopal who has today stepped down from the Board. Raj has been with Dyson since 2007 and the Board has valued his guidance during a very challenging time for the Company."

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UPDATE ON DIALOGUE WITH BANKS

The Company has been in extensive discussions with its banks and other key stakeholders and considered a range of options to reorganise its capital structure and reduce net borrowings. The Company can confirm that significant progress has been made in the ongoing negotiations towards agreeing a solvent debt and capital restructuring of the Company. The Board intends to write to shareholders with a set of proposals when detailed terms have been agreed.

UPDATE ON COMPANY ACCOUNTS

On 30 October 2009, the Company announced that it had changed its accounting reference date from 31 March to 30 September. Accordingly, the 12 month accounting period which would have ended on 31 March 2009 has been extended to an 18 month accounting period ended on 30 September 2009.

On 30 October 2009, the Directors stated their intention to publish the audited accounts for the 18 month period to 30 September 2009 on or before 31 January 2010. Due to delays in the negotiations with the banks, the Company will not now be able to meet this deadline. However, the progress made in the ongoing negotiations with banks and key stakeholders means that the Directors now anticipate that the Company will be in a position to publish the audited accounts for the 18 month period to 30 September 2009 during April 2010, subject to agreeing the detailed terms of the debt and capital restructuring.

TRADING UPDATE

The Group is executing an operational restructuring plan, whereby a number of its non-core businesses and properties are to be sold or closed. This restructuring has progressed well, with (as previously announced) both the completion of a sale of the Kiln Furniture Business in Stoke to a Management buyout team and the exchange of contracts to sell a number of agricultural properties taking place during December. This restructuring process is expected to be substantially complete by April 2010 at which point the Group will be primarily focused on the Saffil business and a number of investment properties with a substantially reduced cost base and a much simplified business structure.

The Saffil business has benefited from the recovery in global automotive markets in recent months and has been awarded significant new Ecoflex business which is expected to lead to further growth during 2010 and 2011. Saffil sales revenue in the three months to December 2009 showed an increase of 18 per cent. on the previous quarter and an increase of 35 per cent. on the same period in 2008. The Saffil business headcount has been reduced by 38 per cent. over the last 15 months, which together with other cost management actions across the business has resulted in overhead reductions of 21 per cent.

Notwithstanding continued margin pressure within the industry, the above factors have led to significant improvements in profitability and cash generation in the Saffil business and give cause for optimism on the future prospects for this business.

BOARD UPDATE

The Company is pleased to announce the appointment to the Board of Julian Edward Peregrine Cooper as Interim Chief Executive Officer. Mr. Cooper, aged 47, has been acting as Interim Chief Executive since 22 October 2009 and as a consultant to the Board since July 2009. Mr. Cooper is an ICAEW qualified chartered accountant and former partner of Arthur Andersen. His experience of turnaround situations and restructuring companies is ideally suited to Dyson's current needs. Further details relating to Mr. Cooper as required by paragraph 9.6.13R of the Listing Rules are set out below:

Mr. Cooper is a director of Ennstone plc, and was on the board when it entered administration in March 2009.

Other than the information set out above, there are no other matters to be disclosed in relation to Mr. Cooper under paragraph 9.6.13R of the Listing Rules.

The Company also announces that Dr. Krishnamurthy Rajagopal has resigned from the Board as a Non-Executive Director with immediate effect.