

20 October 2006

Coffee Republic plc

Directorate Change

The Board of Coffee Republic plc ("Coffee Republic" or "the Company") announces that Peter Breach and Steven Bartlett have been appointed Chairman and Chief Executive respectively.

Shareholder ratification of the appointments of Peter Breach and Steven Bartlett will be sought at the Company's Annual General Meeting ("AGM") to be held at 11.00 on 26 October 2006 at the offices of Lawrence Graham, 190 Strand, London WC2R 1JN. Peter Breach and Steven Bartlett, have irrevocably undertaken to vote in favour of all resolutions at the AGM, in respect of their directly and indirectly controlled 131,700,000 ordinary shares in the Company, being 25.68% of the Company's issued share capital.

Bobby Hashemi stands down as Executive Chairman with immediate effect.

On account of these Board changes, the requisition of the Extraordinary Meeting of the Company ("the EGM") by Surthurst Limited and Plymouth Land Limited, as announced on 2 October 2006, has been withdrawn.

An update on the Company's strategy and current trading will also be made at the AGM. The strategy will focus on a faster roll out of the franchise model, both in the UK and internationally, the establishment of joint ventures and the development of the automated Coffee Republic Express concept.

Commenting on the Board changes, Nicholas Jeffrey, Senior Non Executive Director of Coffee Republic said:

"We welcome Peter Breach and Steven Bartlett on to the Board of the Company. They bring valuable experience and skills that will benefit Coffee Republic at this critical point in the implementation of its franchise strategy.

Having co-founded the business eleven years ago, Bobby Hashemi has selflessly agreed to step aside to facilitate these changes. The new team will benefit from the strength of the brand that Bobby has nurtured and the franchise strategy that he devised. The Board is very appreciative of Bobby's commitment to, and efforts on behalf of, Coffee Republic."

Commenting on the announcement, Peter Breach, Chairman of Coffee Republic said:

"Bobby Hashemi has developed Coffee Republic into a dynamic business with one of the leading coffee brands in the UK. We are excited by the challenge and it is the new management team's intention to further develop the franchise model, build the brand and create value for all shareholders. The Coffee Republic brand name has enormous potential."

As part of the agreement between the Company and Mr. Hashemi regarding Mr. Hashemi's terms of employment, Mr. Hashemi has agreed to waive his rights in connection with options to subscribe for 15,000,000 ordinary shares. In respect of the balance of options over a further 15,000,000 options, the Company has agreed that Mr. Hashemi may exercise those options at an exercise price of 1.2p (3,000,000 ordinary

LG comments (19.10.06)

shares) and 1.25p (12,000,000 ordinary shares) plus an amount equal to 10% of the difference between the exercise price and the market price of the ordinary shares on the date of exercise. These options must be exercised by 31 December 2006, otherwise they lapse.

Steven George Bartlett, aged 41, is also currently a director of Plymouth Land Limited, GBCO Management Limited, GBCO Trading Limited, Subway (Mutley Plain) Limited and Steve Bartlett Enterprises Limited, The Million Pound Share Club Limited and Sutton Land & Property Limited, Plymouth Breweries Limited and C.P. Moxon Limited. He has held the following directorships during the past five years: Mutley Plain Trading Co. Limited, 52B Mutley Plain Limited, 71 Mutley Plain Limited, 102 Tavistock Place Limited, Urban Housing Limited, Costcutters (Plymouth) Limited, Get Stuffed Limited, 69 Mutley Plain Limited and 5 Percy Terrace Management Company Limited. His shareholding in Coffee Republic is 13.65%.

Peter John Freeman Breach, aged 64, is also currently a director of Hawksworth Securities Plc, Ringable Limited, Principality Holdings Limited, Delode Limited, Pathred Limited, Mauretania Estates Limited, Great Western Arena PLC, Stockmead Limited, Farthingford Properties Limited, Surthurst Limited, Nicolglen Limited and Redland High School for Girls (The). He has held the following directorships during the past five years: Armpep Plc, Thomas Silvey Limited, West Dock Estate Company Limited, J.H. Varasseur & Company Limited, Major Holdings and Development Limited and Viners Plc. As part of a rescue package, Mr Breach was appointed a director of Viners Plc in 1981. It was later discovered that the audited accounts of a foreign subsidiary had previously been overstated and the company's creditors appointed a receiver in 1982. His shareholding in Coffee Republic is 11.67%.

Save as disclosed above, there are no further disclosures to be made in accordance with Rule 17 and Schedule 2(g) of the AIM Rules.

For further information, please contact:

Coffee Republic

Simon Drysdale, Finance Director

020 7033 0600

Smithfield Consultants

John Kiely

George Hudson

020 7360 4900