

LPA Group PLC

("LPA" or "the Group")

New Contracts, Trading Update and Site Visit

LPA Group Plc ("LPA" or the "Group"), the LED lighting and electro-mechanical system manufacturer and distributor, announces the receipt of two lighting contracts totalling £0.7m for delivery during this financial year, which started on 1st October.

Trading in the final quarter of last financial year, ended 30th September, remained strong with the consequence that current expectations are likely to be met or exceeded.

The current financial year has also started strongly. However the trading conditions currently being enjoyed are unusually good, being the confluence of a strong order book and several medium sized contracts requiring delivery over a short period. For the reasons outlined below the current financial year will be one of transition:

- We are committing investment to our technical, commercial and sales resources to secure the opportunities we see for the future growth of our LED based Lighting and Transport+ mini turnkey project offerings. Depending on how fast this additional expenditure delivers results, the rate of growth may slow in the near term although we expect to see return on investment in the medium term.
- We await the decision on our application for Outline Planning Permission for a housing development on our Tudor Works site in Saffron Walden.
- We are to submit a planning application in respect of the Shire Hill factory we have acquired in Saffron Walden for its modification and refurbishment. We have then to execute these significant works.
- We have to relocate the greater part of our electro-mechanical manufacturing activities, currently located at Tudor Works, to Shire Hill, which will allow completion of the sale of Tudor Works. A significant surplus over book value is anticipated.
- Finally we are building an extension to our LED-based Lighting manufacturing facility in Normanton, West Yorkshire.

Peter Pollock, Group Chief Executive commented, "Investors may deduce from this statement that the Group is confident about future progress in the medium and longer term. We are excited about the opportunities and challenges which lie ahead and will keep investors informed of progress."

The Group will today host an event for analysts and institutional investors at its Tudor Works facility in Saffron Walden, Essex. The event is intended to provide a greater understanding of the Group's operations and strategy and no new material information will be provided.

ENQUIRIES:

LPA Group plc

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