

# LPA Group PLC

## ("LPA" or the "Group")

### Sale of Saffron Walden premises for £2.6m

Further to its announcement on 22 November 2012 that it had been granted Outline Planning Permission for the construction of 24 houses on its Tudor Works site in Saffron Walden, LPA, the LED lighting and electro-mechanical system manufacturer and distributor, is pleased to announce that it has today sold the property for a consideration of £2.6m which, after direct expenses, is expected to yield a surplus over book value of approximately £2.0m.

Initial consideration of £1.3m was received on completion with the balance due at the end of the lease back period which the Group has entered into and referred to below. A provision also exists for additional payments to be made if total site development revenues exceed a certain level.

LPA has taken a lease back of Tudor Works for a period of up to twelve months, during which a £1.5m refurbishment of its Shire Hill premises in Saffron Walden, purchased in 2012 for £1.3m, will be undertaken. Activities currently housed at Tudor Works are expected to be relocated to Shire Hill in the spring of 2014 when the refurbishment works are complete.

The Group now plans further rationalisation of its electro-mechanical activities and expects to provide approximately £0.85m in the accounts for the year ending 30 September 2013 in this regard. Further cost savings are expected once this rationalisation process has been completed.

#### **Peter Pollock, Chief Executive, commented:**

***"This is a very welcome development. The sale has taken longer to conclude than we had hoped. The market for this type of property has been fully tested and the value achieved reflects that. We can now get on with the extensive development programme we have planned, which includes refurbishment of the Shire Hill premises, transfer of our Saffron Walden activities to Shire Hill, rationalisation of our electro-mechanical activities and the construction of a 50% extension to our LED lighting manufacturing facility in Normanton, Yorkshire."***

***"After a relatively quiet third quarter, the fourth quarter has started encouragingly. We hope this will continue and provide momentum for a positive start to the new financial year."***

**27 August 2013**

#### ENQUIRIES:

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