

LPA GROUP PLC

("LPA" or the "Group")

AGM Trading Update

At the AGM of the Group to be held at 12.00 noon today, Michael Rusch, Chairman, will make the following statement:

"In my statement included in the Annual Report published in January, I reported that output during the first quarter of the current financial year was at record levels. I am pleased to report that this has been sustained during the first half of the financial year, and the order book for delivery during the remainder of the year should present us with an excellent result. While this performance should be at an exceptional level, well above recent historical levels and not necessarily sustainable in the immediate future, it has established the Company at a new level and in a very strong position to exploit many opportunities for major future growth in the medium and longer term.

"The UK rail market is enjoying unprecedented, and quite possibly unsustainable, demand for improved infrastructure and new rolling stock, much of which may be satisfied in the short term by imports and in the longer term potentially by the establishment of new assembly facilities in the UK by international companies. We are seeking to establish ourselves in the supply chains of these new, mainly European, suppliers, but this is challenging because it requires us to displace existing members of their supply chains. As an established exporter, we are used to this challenge; to which our response is to work hard at building new relationships with those new customers whom we believe will be here for the long term while sustaining our relationships with our existing export customer base.

"We have taken advantage of this demand for new rolling stock, by investing in capital and resources to improve productivity. However, we believe that in the short term the UK market for renewals, upgrades and refurbishment of existing rolling stock has been distorted by this flood of new vehicles, with consequently lower levels of demand, undermining the confidence of some of our UK customers within this segment of the market.

"The new major effort to give additional impetus to 'Digitising the Railway' will create more opportunities for us. This is not just the adoption of the European Rail Traffic Management System (ERTMS) and European Train Control System (ETCS), which will increase the capacity of the network, it will create opportunities for our Ethernet backbone technology for installation on new and existing rolling stock, for our digitally controlled LED Lighting systems for rolling stock and infrastructure and our 'at seat' charging outlets for mobile devices. It will also embrace electronic ticketing, Wi-Fi, mobile phone coverage and a host of other passenger-facing functions and opportunities to improve customers' travelling experience, creating demand for our new products and services.

"In addition to the excitement in the rail market overall, we are putting additional focus on our Aircraft Ground Power Supply products and we see an improved market in Aerospace and Defence, which had been quiet of late.

"We look forward to the future with enthusiasm.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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