

LPA GROUP PLC

End of Year Trading Update

LPA Group plc ("LPA" or the "Group"), the high reliability LED lighting and electro-mechanical system manufacturer and distributor, reports record output for the year ended 30th September 2018 and a major contract win.

LPA is pleased to announce record sales in the year ended 30th September 2018. Despite a reduction in activity during the final quarter due to the CrossRail delays, results for the full year are expected to achieve market expectations.

These delayed CrossRail deliveries will benefit the current financial year, which has started encouragingly with a major contract win. LPA Lighting Systems has been awarded (subject to contract) the upgrade for the lighting on London's Central and Waterloo & City lines rolling stock. The contract, valued at over £4m, will begin to benefit the second half of the financial year and after a pause will run through to 2023, with an ongoing through-life support contract to 2043.

LPA Connection Systems is bidding on a number of rail projects and have established themselves as a supplier of engineered electro-mechanical solutions for rail vehicles. LPA Connection Systems is launching a new range of aircraft ground power supply products to reinforce its broader customer base.

As previously reported, last financial year was exceptionally strong and the current year will see a return to more regular levels of activity, particularly in the first half. Cost structures have been adjusted accordingly.

LPA Channel starts the year with a record order book and finished 2018 at a gallop.

The LPA Group Employee Benefit Trust has now fulfilled the Company's requirement to purchase a further 150,000 shares in LPA, its holding now totalling 300,000 ordinary shares.

Peter Pollock, Chairman, commented "After a blockbuster year of record output, despite contract delays, we face the future with a reinvigorated Board and a refreshed team in place. The rail market remains very buoyant, with huge commitments by Government attracting massive inward investment from multinational companies establishing new rail vehicle assembly facilities in the UK. Our opportunity is to displace their existing suppliers from the supply chain and to participate fully in this potential bonanza. It will be challenging. We have invested heavily in new capacity, automated stores systems, robotic welding, and process robots to improve productivity and to reduce costs so that we can remain competitive in a challenging environment.

As has been widely reported, current political uncertainty around Brexit adds a potential challenge and we are progressing our contingency plans in the event of different scenarios."

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

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