

Petards Group plc ('Petards' or 'the Company')
AGM Statement

Petards Group plc, the AIM quoted developer of advanced security and surveillance systems, will hold its AGM today at The County Club, 158 High Street, Guildford, Surrey. At the AGM, Petards Chairman, Raschid Abdullah will make the following statement:

“I am delighted to report that 2014 was characterised by our progress and a return to profitability. This has been achieved on the back of a range of changes and developments made to our internal operations and our customer relationships. With this in mind, I would like to first extend my thanks to our management team and our employees at all levels for their efforts and commitment to building upon Petards’ reputation as providers of specialised security and surveillance solutions to the rail, defence and emergency services markets.

The Board identified the new train build market as having significant growth opportunities and accordingly has been implementing its strategy of developing long term relationships. We are proud to already work with blue chip customers such as Siemens Mobility, Bombardier Transportation and Hitachi Rail Europe. During the year, we successfully leveraged these relationships and gained further orders from existing customers. In conjunction with this, the Board’s aim is to expand Petards’ sector reach by gaining contracts with new customers. The development of a 5 year framework agreement with Siemens Mobility for the supply of Petards train related products and services has already borne fruit with over £3 million of orders obtained to date. The Board’s objective is to build on this platform through developing an ever improving understanding of the needs of all our customers and their product and system requirements.

In addition, the return to clarity over the award of new rail franchises is expected to give rise to opportunities for Petards for retrofit work wherever upgrades or new installations for the CCTV systems are required. To ensure these opportunities are maximised the Board’s aim is to become the supplier of choice for end users, systems integrators and specifiers. Challenges remain, not least that of providing our customers with a suite of products and innovative solutions that will enable them to use Petards across a wider range of applications.

The return to profitability provides the Board with a stronger base from which to develop new products and systems, in particular those which will benefit customers through the application and integration of enhanced software which continues to be a focus.

The Board considers that Petards has a strong reputation for being a responsive, flexible and reliable partner in delivering products and services for the MOD’s military programmes. This established presence will be used to gain further contracts, and a number of substantial contracts were won during

the year. Our long-standing relationship with the MOD positions us well to gain further contracts, and we look forward to continuing and building upon that relationship.

While Emergency Services has generally been our smallest area of operation, this market is not without opportunity. We continue to derive steady revenues from this arm through the provision of ProVida, our leading in-car police speed enforcement, surveillance and ANPR (Automatic Number Plate Recognition) brand, to UK law enforcement agencies. In addition, we hope to strengthen our market penetration both in the UK and abroad by selectively developing our product range and our network of channel partners.

In summary, the return to profitability in 2014 has provided the Board and management with the foundation from which to continue the development of Petards during 2015 and beyond. The Company has a proven reputation across multiple sectors and much of its growth is expected to come through leveraging this strategically, and streamlining the business.

Finally I am pleased to inform shareholders that the first quarter's trading has been in line with the Board's expectations and the order book has been maintained following contract wins that include those recently reported totalling over £2 million from Siemens and a major UK defence systems contractor. Against this background the Board remains confident of the prospects for the Company for the year."

****ENDS****

For further information:

Petards Group plc

Raschid Abdullah, Chairman
Andy Wonnacott, Finance Director

www.petards.com

Mb: 07768 905 004
Tel: 0191 420 3000

WH Ireland Limited, Nomad and Joint Broker

Mike Coe, Ed Allsopp

www.wh-ireland.co.uk

Tel: 0117 945 3470

Hybridan LLP, Joint Broker

Claire Louise Noyce

www.hybridan.com

Tel: 020 3713 4581
claire.noyce@hybridan.com

St Brides Partners Ltd

Elisabeth Cowell, Charlotte Heap

www.stbridespartners.co.uk

Tel: 020 7236 1177

Notes for Editors

Petards is a cash generative global supplier of products to original equipment manufacturers ('OEMs'), system integrators and end users in the rail, security and defence markets in new build, refurbishment and retrofit applications. The Company delivers ruggedised electronic solutions including video and sensor data

surveillance, radio communications and threat simulation systems on mobile platforms. Petards offers a range of services, supporting its own and third party systems, spanning custom development, manufacturing, commissioning, maintenance and obsolescence management. Further information on its three product areas is included below:

Transport

Petards' market-leading eyeTrain technology provides leading edge products for on-board train video and sensing solutions, including Driver Only Operation Systems, Passenger Counting Systems, Saloon and Drivers View Video and Condition Based Monitoring. These systems have been chosen for installation on thousands of rail vehicles around the globe, helping to reduce operating costs, increase safety and improve passenger satisfaction.

Emergency Services

Petards' ProVida is one of the world's leading in-car police speed detection, surveillance and ANPR (Automatic Number Plate Recognition) brands, comprising four components: In-Car Video, Speed Enforcement, ANPR Systems and ANPR cameras. As well as Petards' systems being used by many of the UK's police forces, the brand has stretched to over 20 countries.

Defence

Petards provide a range of specialist engineering services to the defence sector. The Company has established a strong reputation for being a responsive, flexible and reliable partner in delivering challenging military programmes. Petards excels in the disciplines of Communications and Information Systems, Electronic Countermeasure Systems, Ruggedised Electronic Control Systems and in the provision of Engineering Services to UK MoD and other NATO countries.