

Tandem Group plc

AGM Statement

Chairman, Mervyn Keene, will make the following statement at today's AGM:

"Revenue for the 25 weeks to 19 June 2015 was approximately 12% ahead of the comparative period last year.

In our bicycles and mobility businesses revenue was approximately 14% ahead of the same period last year. Excluding mobility and cycles contributions from the Pro Rider acquisition, revenue was approximately the same as the prior year.

There has been a mixed performance in our bicycles and mobility businesses. Although our independent bicycle brands, Claud Butler and Dawes, have been under significant competitive pressure, corporate bicycles have continued to perform well.

Feedback from our independent customers on the 2015 ranges has been positive but many customers have reported that the leisure cycling market is challenging.

We have continued to grow bicycle revenue to national accounts with our Falcon, Townsend, Elswick, Boss, Zombie and British Eagle brands with more listings and increased promotional business.

Pro Rider has continued to perform in line with expectation. Our new distribution centre in Northampton is now fully operational. In addition we will be opening a mobility showroom and service centre at our Castle Bromwich premises in July to augment the existing Northampton showroom.

Revenue in our sports, leisure & toys businesses for the 25 weeks to 19 June was approximately 9% ahead of the same period last year enhanced by the contribution from Pro Rider's leisure product ranges. On a like for like basis, turnover was marginally behind the prior year. On an overall basis our own and generic brands were broadly similar to the prior year. Both Disney Princess and Star Wars were launched to positive feedback and Thomas & Friends also showed growth.

We are pleased to announce that we have recently secured the Shopkins and Bratz licences which have the potential to deliver a valuable contribution to the business.

We are cautiously optimistic about the outlook for the remainder of the year. There continues to be strong potential in our licensed, direct to consumer and corporate bicycles businesses, however the independent cycle businesses remain under pressure in difficult market conditions.

In accordance with our announcement on 14 April 2015, a dividend of 2.40 pence per ordinary share will be paid on or around 30 June 2015 to shareholders that were on the register on 29 May 2015."

Enquiries:

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