

**Company** Petards Group PLC  
**TIDM** PEG  
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**Petards Group plc ("Petards" or "the Company")**

**Pre-close period strategic review and trading update**

Petards, the AIM quoted developer of advanced surveillance systems, provides the following update in respect of the year ended 31 December 2007, current trading and progress in its strategic review prior to entering into the close period in respect of the Company's preliminary results for the year ended 31 December 2007.

The Board expects to announce its preliminary results for the year ended 31 December 2007 in mid-May and expects to report at that time results in line with the Company's trading update of 20 December 2007. It also expects to report a net debt position that is lower than the £3m indicated last December. The Group is in talks to re-negotiate the capital repayment schedule of its term loan facilities and its bankers have indicated that it is their intention to renew its overdraft facilities at their existing levels.

**Trading update**

We are pleased to report that following the delays in order placement experienced in 2007, many of the orders concerned have since been placed. In the six months ended 28 February 2008, the Group received orders for its continuing business (excluding UK Government and Commercial software) totalling £12.5m. It is expected that the majority of these orders will be delivered during the course of 2008.

In addition to those announced last December, we have been awarded the following:

- A contract worth almost £1m to supply ProVida in-car Automatic Number Plate Recognition (ANPR) systems to a major overseas customer.
- Orders together worth in excess of £1m for the supply and installation of eyeTrain™ on-board digital surveillance systems to Bombardier Transportation and for passenger information displays to Alstom Belgium.
- Orders for £0.75m from the Ministry of Defence for radio systems and electronic countermeasures equipment to be fitted to rotary wing aircraft.
- A \$0.9m order for the UVMS™ video management system from a US casino customer. This is the first major order to be received since the inception of the Group's exclusive licencing agreement with BAE Systems Integrated System Technologies (BAE) and follows the award of a \$1.1m order from Harrah's Cherokee Casino and Hotel announced at the end of last year.

**Strategic Review**

The Board announced last December that as a result of its review of future strategy it had sold its UK Government and Commercial software business to BAE for a cash consideration of £2.5m. That business had been incurring losses and the sale included the assignment of an onerous lease which had a residual term of almost nine years.

The Board is continuing to actively pursue opportunities for other means of maximising shareholder value and will update shareholders as appropriate.

**For further information:**

**Petards Group plc**

Andy Wonnacott, Finance  
Director  
Tel: 0845 002 0123  
[www.petards.com](http://www.petards.com)

**Collins  
Stewart  
Europe Limited**

Mark Connelly  
Tel: 020 7523 8350

**Parkgreen Communications**

Paul McManus  
Mob: 07980 541 893  
[paul.mcmanus@parkgreenmedia.com](mailto:paul.mcmanus@parkgreenmedia.com)