

Tandem Group plc

AGM STATEMENT

Chairman, Graham Waldron, made the following statement at today's AGM:

"Revenue for the 20 weeks to 18 June 2010 was 8% above the comparative period last year.

Bicycle sales were up by 3% but as previously reported we expect revenue to be behind last year in the second quarter due to a reduction in sales to national retailers compared to the previous year.

Revenue from our sports, leisure and toys business was 17% ahead for the 20 weeks to 18 June 2010. The Ben 10 licence continues to perform well although as previously stated we anticipate revenue from this licence to fall behind last year in the second half. We remain encouraged by the potential from our new licences and national retailer listings for Autumn/Winter 2010.

Trading conditions continue to be difficult due to cost pressures in respect of US dollar volatility and increases in freight and raw material prices. It has not been possible to pass all of these additional costs on to customer mid-season and this has had an adverse impact on profit margins.

The Group continues to strengthen the balance sheet, stockholdings have been reduced and this has resulted in an improved cash position.

Despite the issues raised above, the Board remain encouraged by the recent good weather and positive impact this has had on independent bicycle dealer sales in particular.

The Board believes in keeping its shareholders informed and working closely with them. To this end, the Board announces that it will be hosting an investor presentation at the offices of Grant Thornton, 30 Finsbury Square, London EC2P 2YU, the Company's auditors at 10.00am on Tuesday 7 September 2010. Those wishing to attend are asked to email our Nominated Adviser (tony.rawlinson@cairnfin.com) or telephone 020 7148 7091 to confirm attendance."

Further information can be found at www.tandemgroup.co.uk

Enquiries:

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21 June 2010