

Tandem Group plc

(the 'Company')

AGM Statement

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

"Revenue for the 20 weeks to 18 May 2012 was approximately 5% behind the comparative period last year.

Sales of bicycles and accessories reduced by approximately 8%. Following the positive progress made in the 15 weeks to 13 April 2012 as stated in our final results announcement, the subsequent 5 weeks have been particularly difficult. It has been reported that April 2012 was the wettest since records began and the coldest for twenty three years. In addition, the reported reduction in consumer spending in April 2012 compared to the same month in the prior year has impacted performance in the bicycles businesses.

Notwithstanding these challenges we remain optimistic about our bicycles and accessories businesses. Our Claud Butler and Dawes traditionally inspired ranges of fashionable, heritage type cycles continue to sell well. Our parts and accessories offering has expanded, both with our independent bicycle customers and national retailers. A successful London 2012 Olympic Games for Team GB should also have a positive impact on the cycling market.

Revenue from our sports, leisure and toys business was marginally ahead of the same period last year. As we have previously stated, the wheeled toy market is being constricted by cautious national retailer buying strategies. Although a number of our 'evergreen' licenses including Thomas and Fireman Sam have performed well, despite signing a number of exciting licenses, it is proving difficult to encourage retailers to take risks with new, unproven properties.

We are encouraged by the early signs that 'Mike The Knight' could develop into a strong property and we already have considerable interest for the second half of the year.

Revenue from our own brands Hedstrom and Ben Sayers was ahead of the prior year and sales from the distribution of the Bioflow sports band are growing.

Although shipping costs have increased since the start of the year, they have been partly offset by a comparatively weak US dollar. We also continue to carefully monitor and control our cost base.

We are delighted to announce that immediately following the Annual General Meeting on 22 May 2012 we intend to appoint Phil Ratcliffe to the Board in the newly created position of Group Commercial Director. Phil is currently Sales & Marketing Director of our subsidiary, MV Sports & Leisure Limited. He will work closely as part of the executive Board in implementing Group strategy and, in particular, the sales and marketing related initiatives that we have identified to take the Group forward.

On 11 May 2012 the Company bought back 15,000 shares at a price of 83.5 pence per share. We will continue to explore ways to enhance shareholder value including the possible buy back of additional shares.

In accordance with our announcement on 16 April 2012, a dividend of 2.1 pence per ordinary share will be paid on 14 June 2012 to shareholders on the register on 18 May 2012."

Enquiries:

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