

Tandem Group plc

AGM Statement

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

"Revenue for the 21 weeks to 24 June 2011 was 5% behind the comparative period last year.

Sales of bicycles and accessories increased by 5% following the initiatives that we identified during last year's strategic review. The initial introduction of a Claud Butler branded parts and accessories range, new national retailer listings and a positive response to the launch of the 2011 year cycle models have helped grow turnover in difficult trading conditions.

Revenue from our sports, leisure and toys business was 21% behind the same period last year. Many of our high profile national accounts continue to report higher stock holdings and weak consumer demand, which affects our sales. Despite these factors, we have signed a number of exciting new licences for 2012 and beyond and we expect to bring some of these to market later this year. We believe that we are well placed to take advantage when consumer confidence returns.

Reductions in shipping costs, coupled with a comparatively weaker US dollar have helped maintain profitability. Overheads remain under tight control.

Notwithstanding the increased levels of stock currently held and the impact this has on working capital and cash, the Group continues to strengthen the balance sheet.

In accordance with our announcement on 3 May 2011, a dividend of 2 pence per ordinary share will be paid on 1 July 2011 to shareholders on the register on 3 June 2011."

Enquiries:

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