

## **Armour Group plc (“Armour” or the “Group”) Year End Trading Update**

Armour, the UK’s leading consumer electronics group focused on the in-car communications and entertainment and home entertainment markets, today issues the following trading update:

The Group loss before tax and exceptional items for the year to 31 August 2011 is anticipated to be in line with current market expectations. Net debt at 31 August 2011 was better than market expectations and the Group is trading comfortably within its available funding facilities.

The results for the year reflect the very testing retail environment from which a large proportion of the Group’s revenue is generated, particularly within Armour Home. In response to the weak trading conditions during 2011, the Group has reduced its annual operating costs by in excess of £2.5m and restructured the Armour Home division, consolidating the two operating businesses into a single trading entity. The restructuring of Armour Home is now substantially complete and has repositioned the division with a significantly lower cost base.

The Group’s automotive division, Armour Automotive, has recovered strongly over the course of the year with profits well ahead of the prior year. Whilst Armour Automotive’s retail sales have been impacted by the consumer slowdown, this has been more than offset by sales growth in the division’s non-retail operations, which primarily supply in-vehicle audio systems into the agricultural vehicle market and GSM/GPS antennae for commercial applications.

Notwithstanding the difficult trading conditions and the recent restructuring within the home division, the Group continues to launch class leading products. The most recent of these are two new speaker ranges from Q Acoustics, Q7000 and Q2000i, both of which will be officially launched in the next month and have already received excellent reviews from the consumer press. Product innovation remains a fundamental part of the Group’s strategy and its drive for future growth, with further important new product launches scheduled over the next six months.

The economic outlook remains very uncertain. However, the Group has taken the appropriate steps to re-size its business operations in light of the changing requirements of markets that it serves. The Board believes that the steps taken will return the Group to operating profit in 2012 and it is well positioned to take advantage of any consumer recovery in the future.

The preliminary announcement of the results for the year ended 31 August 2011 is expected to be made in early December 2011.

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