

PRE-CLOSE TRADING STATEMENT AND NOTICE OF RESULTS

Lupus Capital plc (“Lupus” or the “Group”) announces a pre-close trading statement for the financial year ended 31 December 2009 and an update on current trading and the Group’s financial position.

Lupus Capital plc, the security, residential products and marine breakaway couplings group, today issues the following trading update for the financial year ended 31 December 2009, in advance of its preliminary results announcement on Thursday 25 March 2010. Numbers contained within this update are preliminary and remain subject to audit.

Total sales for the year are expected to be £241.6 million, a decrease of approximately nine per cent. compared with 2008 (£266.6 million). On a constant currency basis, this represents a fall in total sales of approximately 17 per cent. compared with 2008. Results for the 12 months to 31 December are expected to be in line with, or marginally ahead of, the current consensus of analysts’ 2009 expectations.

Given that 2009 was a challenging year of transition and disruption for the Group, the Board is pleased that the Group is expected to deliver such encouraging results.

Current Trading

Following the severe downturn in the UK and US residential housing markets in the second half of 2008, the Group’s Building Products division continued to experience difficult trading conditions in the first half of 2009. Management took early action to control overheads and costs, putting in place a number of measures including short-term working, headcount reduction, site rationalisation and tight control over cash and working capital.

During the second half, the businesses stabilised and have benefitted from higher levels of activity which has been sustained through to the year-end. A number of businesses have now returned to full time working in order to meet increased demand; however, the Group continues to focus on controlling its cost base. Should end market conditions deteriorate again, the Group has already demonstrated its ability to react swiftly when required.

Gall Thomson Environmental continues to maintain its strong market position and has performed in line with management’s expectations, producing excellent results.

Financial Position

In 2009 the Group generated strong free cash and was able to repay just under £23 million of debt. At 31 December 2009 the Group’s net debt was approximately £111 million (2008: £145.3 million) with cash balances of approximately £25 million (2008: £32.4 million). Of the reduction in net debt, just under £15 million relates to movements in exchange rates.

In December 2009, US\$66 million of dollar debt was redenominated into sterling, thereby aligning the Group’s debt profile more closely with its earnings flows.

LUPUS CAPITAL

The Board remains confident that the Group will continue to operate within its banking covenants.

Outlook

The Group remains cautious as we enter 2010, as trading conditions are not expected to improve rapidly and, despite encouraging recent trading, our end markets remain fragile. Lupus weathered a difficult and challenging 2009 trading climate and is now focussed on reinforcing its strong position in the Group's markets.

25 January 2010