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 2010 and an update on current trading and the Group's financial position.

Lupus, a leading international supplier of building products to the door and window industry and the world's number one manufacturer of marine breakaway couplings, today issues the following trading update for the financial year ended 31 December 2010. The Group will announce its full year results on Wednesday 23 March 2011. Numbers contained within this update are preliminary and remain subject to audit.

2010 Performance

The Group has had an encouraging year, with sales and operating profits outperforming 2009, as trading recovered significantly. Total sales for the year are expected to be £266 million, an increase of approximately 10 per cent. compared with 2009 (£241.6 million). On a constant currency, like for like, basis, this represents an increase in total sales of over 12 per cent. compared with last year.

Results for the 12 months to 31 December are expected to be not less than the current consensus of analysts' 2010 expectations for Underlying EBITA of £32 million (2009: £25.6 million) and ahead of consensus 2010 Underlying EPS of 12p (2009: 9.39p).

Building Products

Total sales for the year for the Building Products Division are expected to be approximately £252 million, an increase of around 10 per cent. compared with 2009 (£229.0 million). On a constant currency, like for like, basis this represents an increase in total sales of around 13 per cent. compared with last year.

Operational activity in our key trading markets in the US, UK and Europe for both new build and the repair, maintenance and improvement sector ("RMI") was broadly stable across the year. Demand levels increased across our building products businesses worldwide, continuing the recovery that began in the second half of 2009, with most of our businesses gaining market share.

As indicated in our interim results, the first half of 2010 benefitted from particularly weak comparatives; accordingly sales growth during the second half of the financial year was lower than the first half. However, our North American and UK components and seals businesses sustained strong levels of sales activity through to the year-end.

Oil Services

Total sales for the year for the Oil Services Division are expected to be just under £14 million, an increase of approximately 9 per cent. compared with 2009 (£12.6 million).

Gall Thomson enjoyed another year of solid performance. The business enters 2011 with a strong order book as a result of a number of customer installations originally scheduled for Q4 2010 being delayed until Q1 2011.

Financial Position

In 2010, the Group further reduced its net debt levels and repaid just over £21 million, to bring the total debt repayments made since the refinancing in July 2009 to over £41 million.

At 31 December 2010 the Group's external net debt, before the amortisation of capitalised loan fees, was approximately £95 million (2009: £116.2 million) with cash balances of slightly less than £28 million (2009: £25.0 million). The reduction in net debt was offset by an increase of just over £2 million as a consequence of adverse movements in exchange rates.

Outlook

We expect that the Building Products Division will continue to gain market share in 2011 due to the quality of our product offering, strong market positions, investment in new products and geographical diversification. However we do not foresee end market conditions in the US or the UK improving materially during 2011.

Our Oil Services Division continues to see solid demand for its core MBC and industrial coupling products and has a strong order book coming into 2011.

We expect the Group will continue to make further progress during 2011 from a sound financial platform.

21 January 2011

Definitions

"Underlying" is defined as before amortisation of intangible assets, deferred tax on amortisation of intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

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