

## Lupus Capital plc

### Year End Trading Statement

Lupus Capital plc (“Lupus” or the “Group”), a leading international supplier of components to the door and window industry, issues the following trading statement ahead of its financial year end on 31 December 2012.

#### **Overview**

Group revenues to the end of November 2012 from continuing operations were up 5.9 per cent. on prior year and broadly flat on a constant currency like for like basis (excluding the effects of acquisitions). Trading for the Group as a whole in 2012 remains in line with market expectations.

#### **Amesbury**

In North America, Amesbury has seen steady growth throughout 2012 in both revenues and operating profit, with market demand at the start of the year assisted by mild weather conditions across much of the United States. Provided the gradual recovery in the overall US housing and home improvement markets continues, Amesbury is well positioned for 2013.

#### **grouphomesafe**

In the UK, grouphomesafe has seen further overall market contraction during 2012. Small increases in demand have been observed for small ticket component products, however there has been continued significant decline in demand for larger ticket fabricator products and in the social housing sector. Like for like revenues in the UK and operating profit before Peterlee property provision releases are therefore expected be slightly lower than in 2011. We expect these market characteristics will continue into 2013; however, we are well positioned to gain share in the UK with our newly expanded product range.

The addition of Fab & Fix to our portfolio offer in August 2012 has been well received in the UK market. The integration is progressing well and the business has traded in line with our expectations since acquisition.

The Composite Door business was sold at the end of August 2012 and will be reported as a discontinued operation in the 2012 accounts.

#### **Schlegel International**

Schlegel International has seen difficult trading in the year to date and both revenues and operating profit for the year will be lower than in 2011. In Continental Europe, the German and Eastern European markets have shown growth while Southern European markets remain very depressed. Trading in Scandinavia has been subdued across the year as a whole. We expect Continental Europe will remain a difficult trading environment for some time to come.

While Australian markets have contracted in the year to date we have grown the business through a combination of market share gain and new product introductions and our Brazilian and Singaporean operations have shown continued growth.

## **Closure of Belgian Building Products Business**

We announced the closure of our Schlegel International Building Products business located in Gistel, Belgium, in September 2012 and are in the process of moving production to our Spanish (Barcelona) and UK (Newton Aycliffe) pile manufacturing plants. We will retain a reduced presence in Gistel to focus on our range of industrial and paper handling products and as an R&D centre for Schlegel International.

The closure of the Belgian Building Products business will lead to an exceptional charge of approximately Euro 1.5 million being taken in the Group's 2012 accounts with the majority of the associated cash outflows taking place in 2013. The payback on the closure, obtained through lower net headcount and reduced overheads is estimated at just over three years in current market conditions. Once vacated the surplus freehold Belgian property will be marketed for sale.

### **Commenting, Louis Eperjesi, Chief Executive, said:**

"Lupus has had a satisfactory year's trading in line with expectations. Steady US growth has counter balanced tough market conditions in the UK and Europe.

"2013 will see further difficult markets, however the business is well positioned following the corporate activity we have undertaken during 2012; the Group is now a clearly focused building products company and a leader in the supply of components to the door and window industry worldwide."

## **Full Year Results**

The results announcement for the year ending 31 December 2012 will be made on Tuesday 12 March 2013.

### **12 December 2012**

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