

FOR IMMEDIATE RELEASE

10 July 2017

PENNANT INTERNATIONAL GROUP PLC

Pre-close Trading Update

**New contract awards
&
Notice of 2017 Interim Results**

“In line trading with good order intake across the Group during first half”

Pennant International Group plc (“Pennant” or “the Group”), the AIM quoted supplier of integrated training and support solutions, products and services, principally to the defence, rail, aerospace and naval sectors and to Government Departments, is pleased to announce the following trading update ahead of the announcement of its Interim Results for the six months ended 30 June 2017 (the “Half Year”), which are scheduled to be released on 11 September 2017.

The Group’s trading results for the Half Year indicate that Pennant remains ‘on track’ to deliver in line with market expectations for the year as a whole. A number of major new contracts awarded during 2016, including a landmark contract with new customer, The Lockheed Martin Corporation and two substantial contracts with Middle East customers, are currently being delivered against scheduled milestones with payments being received. The Group announced last month a £2 million extension to its contract with Lockheed Martin, which will not only help to underpin current market revenue forecasts, but will make a valuable contribution to 2018 revenues, whilst in March of this year a contract amendment with the Canadian Department of National Defence added a further C\$3.8 million to the contract value for the remaining contract term to September 2018.

Pennant is also pleased to announce additional contract wins and extensions during the Half Year, valued in aggregate at over £600,000. These include a new contract with Kawasaki Heavy Industries in Japan, a contract amendment for Network Rail’s Electrical Control Room software simulator, a renewed contract with HMRC for support and maintenance, an Omega PS software sale to Fleetway and the sale of Genskills Trainers to new customers in Abu Dhabi, China, Russia and Singapore.

Notwithstanding current economic uncertainty surrounding the recent formal commencement of the UK’s Brexit from the EU, the Group has not yet detected any loss of confidence from its global customer base.

With an order book of £42 million at the Half Year end (including £33 million for delivery in 2018, 2019 and 2020), a healthy balance sheet and a world class customer base, supported by a strong reputation and track record in its markets, the Board is confident about the Group’s future prospects.

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