

31 October 2011

**Stadium Group Plc**  
**("Stadium" or the "Company")**

**Trading Update**

Stadium Group Plc (AIM: SDM), a leading provider of Electronic Manufacturing Services ("EMS") and Power Solutions, provides the following trading update.

At the reported level, results for 2011 will be significantly ahead of market expectations as a consequence of a reduction in the Group's pension liabilities following a series of one-off benefits.

This forecast increase in reported Group Profit before tax will be partially offset at a trading level due to a number of factors. Whilst we are achieving better than expected performance in our Power Supply business, we are experiencing some short term delays in customers' product call-off, and adverse mix effects in the EMS Division. We believe this to be a timing issue and expect this to reverse in the New Year. In addition, the Group has continued to invest in key personnel in both the commercial and operations teams in the UK and in Asia. This investment in the future capability of the business has contributed to increased costs in the second half of the year.

Taken together therefore, operating profits for the year ending 31 December 2011 will be below current market expectations, whilst reported Group Profit before tax will be materially ahead of expectations.

The Board anticipates paying a dividend for the year in line with market expectations.

The opportunities for organic growth in reported earnings through both new business wins, and operational leverage, are considerable, and there are signs of early momentum being generated from these initiatives. These benefits are expected to accelerate in the next 12 months, and further details of progress in these areas will be provided in due course.

**Ends**

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