

10 March 2016

**Sprue Aegis plc
("Sprue" or the "Company")**

Update on supply terms with Detector Technology Limited ("DTL")

Sprue (AIM: SPRP), one of Europe's leading home safety products suppliers, today issues an update on the supply terms with DTL, owned by Jarden Corporation ("Jarden"), the supplier of all of Sprue's own branded smoke alarms and accessories, which also supplies the smoke and carbon monoxide alarms and accessories of BRK Brands Europe Limited ("BRK"), also owned by Jarden, and a substantial shareholder in the Company.

Retrospectively with effect from 1 January 2016, Sprue has agreed to amend supply terms with DTL, as a result of which the Board now expects that the Company's operating profit for the year ending 31 December 2016 will be approximately £8.3 million, slightly below market expectations. The details of the amended supply terms are as follows:

- Working in partnership with, and at Sprue's request, DTL has made significant investment in its new high technology manufacturing facility and is bearing increases in Chinese labour costs. Sprue has agreed to accept modest product price increases to reflect a share of the incremental costs incurred by DTL. The new CICAM manufacturing facility has significant capacity above current production levels which Sprue can utilise as product volumes increase over time.
- Sprue has agreed to share equally the impact of Sterling's depreciation against the US Dollar from a previously fixed rate of GBP/US Dollar 1.62 exchange rate. Furthermore, the parties have agreed to an annual retrospective volume/12 month average foreign exchange rate rebate mechanism. At the expected current volumes and the current GBP/US Dollar exchange rate of around GBP/US Dollar 1.42, this results in significant product on cost on all DTL sourced product this year. However, should purchase volumes increase and/or the average GBP/US Dollar exchange rate improve from the current level, Sprue will see its share of the benefit.
- Sprue continues to purchase all Sprue and BRK products from DTL on 90 day landed credit terms.

Commenting on the new arrangements with DTL, Graham Whitworth, Executive Chairman of Sprue said: "Despite the product on-cost, this is an important agreement for the Group with its key supplier DTL. The new terms allow Sprue to share equitably the impact of changes in production volumes and movements in the GBP/US Dollar exchange rate with DTL whilst ensuring its key supplier has the capacity and an appropriate investment base to deliver the products to support Sprue's strategic plan."

– Ends –

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Notes to Editors

About Sprue Aegis plc

Sprue's mission is to protect, save and improve our customers' lives by making innovative, leading edge technology simple and accessible.

Sprue is one of the market leaders in the European home safety products market. Its principal products are smoke alarms and CO alarms and accessories and the Group has an extensive portfolio of patented intellectual property. Sprue has patented its technology in Europe, the US and other selected territories.

The introduction of new technologically advanced products and new safety products legislation in the UK and in Europe, and increasing levels of awareness of the dangers of smoke and CO, continue to drive sales.

Sprue manufactures CO sensors at its subsidiary, Pace Sensors for use in its CO alarms. All other manufacturing and product assembly is outsourced to two principal third party contract manufacturers in China, one of which is Jarden Corporation which owns 23.6% of the Group and Pace Technology which is independent from Jarden Corporation.

Sprue enjoys a leading sales footprint in UK Retail and the UK's Fire & Rescue Services. The Group also supplies the UK's Utility and Leisure sector which includes customers such as British Gas and Scottish Gas and has a well-established but relatively low market share of the UK Trade sector. Sprue has a rapidly growing business in Continental Europe mainly selling through a network of independently owned third party distributors

The Group has won a number of prestigious Sunday Times *Virgin Fast Track 100 Awards*, which recognises the 100 fastest growing companies in the UK. Sprue's head office is in Coventry and it has a second office in Gloucester. Warehousing is located in Cambridge and Gloucester

Sprue's range of products is comprehensive, allowing the Group to tailor the range of smoke alarms, CO alarms and accessories to suit its customer needs at various price points under the following brands:

- **FireAngel.** A market-leading and innovative battery operated alarm principally targeted at UK Retail and UK F&RS
- **AngelEye.** Launched in 2012, Sprue sells smoke alarms and CO detectors principally into the French market under the AngelEye brand and to Sainsburys in the UK. AngelEye has become a leading brand targeted at the DIY channel in France
- **SONA.** A new, low power mains powered range of smoke and heat alarm products plus CO detection that are market leading and which can be wirelessly interconnected with up to 50 products on a single network
- **FireAngel Pro.** Mains-powered smoke alarm with a 10 year, sealed for life lithium battery back-up. Modern design, quick fitting, tamper-proof mounting plate which locks the alarm head securely in place. Mounting plate has wide, easily accessible connection to the mains feed. Cable knock-out allows for compatibility with YT2 cable trunking
- **Pace Sensors.** CO sensors used within Sprue's CO products are developed by Sprue and Pace Sensors, Sprue's wholly owned subsidiary in Canada. Pace Sensors' CO sensors are used within all FireAngel, AngelEye and Pace Sensors CO detectors and certain First Alert branded CO detectors

Sprue has the exclusive rights to distribute the products and brands of BRK Brands Europe Limited (a subsidiary of Jarden Corporation) in Europe namely, First Alert, BRK and Dicon. First Alert is one of the leading safety products brands in North America.

For further product information, please visit: www.sprue.com.