

26 June 2014

Progility plc

("Progility" or "the Company" or "the Group")

Pre- Close Trading Update

Progility plc (AIM: PGY), the project management services group, is pleased to issue a pre close trading statement for the financial year ending 30 June 2014 ahead of announcing full year results in September 2014.

Trading performance

Under a new senior management team, led by Wayne Bos, the Company has followed a growth strategy leading to the acquisition of three new businesses in the last 12 months extending the Group's project management services offering and more than doubling the size of the business. Having changed its name to reflect the new strategy and direction, the Group has also refocused and restructured its historic training business.

The benefits of that strategy are now becoming apparent in the Group's results. As anticipated, during the second half of the financial year the Company made significant progress benefiting from a positive mix of new contract wins and a lower operational cost base. Consequently, despite the impact of the weakening Australian dollar, the Board expects the results for the 12 months to 30 June 2014 to be in line with market expectations.

Market environment

The Group derives the majority of its revenues from the UK and Australia. In Australia, the Group has secured a series of large scale communication contracts from the mining and professional services sectors. The Company is confident of continuing to expand its presence in these markets. In the UK, the Group's training business had a satisfactory year with improved margins which was complemented by further improvements in the recruitment division.

Wayne Bos, Executive Chairman of Progility said;

"We are pleased with the underlying performance of the Group and the integration of the acquisitions we have made. We believe we have now established a good base from which to build a much larger business. We are constantly looking at opportunities which we hope will deliver further benefits for all shareholders."

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Group Description

Progility plc is the holding company of a project management services group specialising in people, processes, training and systems integration. The Group has four divisions: Technology Solutions, Training, Consulting and Recruitment.

Technology Solutions

The technology solutions division, Progility Technologies, operates a communication systems integration business that designs, implements and maintains solutions for medium and large enterprises with a focus on the rail, port, oil and gas, power, water and healthcare industries in Australia and on the mining industry globally.

The business, which was acquired in October 2013, is headquartered in Melbourne, Australia, and has offices in Castlemaine, Perth, Sydney, Latrobe Valley, and Brisbane.

It has three operating divisions: Communications Australia, focuses on communications systems integration, designs voice and IP communications solutions for specific customers' operating environments and is a major provider of enterprise based Siemens unified communication systems in Australia; CA Bearcom, Australia's largest distributor of two-way radio communications products, primarily supplied by Motorola Australasia; and Minerals & Energy Technologies, which designs, implements and manages an array of integrated communications solutions for specific mining, oil and gas, rail and port applications.

Training

The training division comprises ILX Group, which provides a blend of on-line learning, games and simulations, traditional classroom training, practical workshops and coaching. ILX delivers training in the UK Cabinet Office's best management practice products, primarily in PRINCE2, MSP and ITIL.

Consulting

The consulting division comprises Obrar in the UK and ILX Consulting in Australia. Obrar is a consulting and project management services company, focused on multimedia contact centres, corporate technology infrastructure and associated operational change, with extensive experience in delivering contact centre outsourcing on a global basis. ILX Consulting, located in Sydney, is an organisational improvement and project management services company, specialising in information technology, service and supply chain improvement and overall project and programme management.

Recruitment

The recruitment division comprises TFPL and Sue Hill Recruitment. TFPL is a recruitment, training and consulting business specialising in the knowledge, information and data management industries, which was acquired in July 2013. TFPL provides executive search, managed services and the placement of permanent, interim and contract personnel into the public and private sectors. Sue Hill Recruitment, which was founded in 1997, is a specialist employment agency to the UK information, market research, insight and analysis sectors and was acquired in November 2013.

