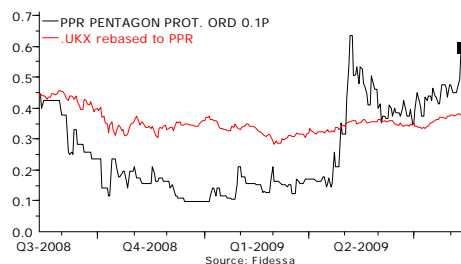


**Pentagon Protection Plc**  
Yet Another Contract Win

**0.60p**

12 August 2009

**Share Price: 0.60p**



**12m High:** 0.6354p

**12m Low:** 0.0988p

**Market Cap:** £3.05m

**Shares in Issue:** 641.42m

**NAV/Share:** 0.3p (2008 Actual)

**Gearing:** Nil

**Interest Cover:** N/A

**EPIC Code:** PPR

**Sector:** Support Services

**Market:** London AIM

**Broker:** Dowgate Capital

**NOMAD:** Seymour Pierce

**Website:** pentagonprotection.com

**Description:** Global specialist of enhanced glass protection and specialist in high risk security consulting, training and the supply of security equipment and products.

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Pentagon Protection's share price has surged over 26% since our 'Initiation of Coverage' last week. The group has announced yet another exciting contract win today.

Pentagon's subsidiary, SDS, has been awarded a contract for the supply of x-ray generator kits to the MOD with a value of approx. £287,000. SDS has the exclusive distribution rights for this x-ray generator in the UK and has been supplying equipment to the MOD, police forces and the HMCE for over 30 years.

SDS has little competition in the portable x-ray field when it comes to supplying the government, because this 'best of breed' product supplied by SDS is the only one that complies with the UK Health and Safety regulations. The group is confident that this will continue to be the case in the future.

On top of the supply of equipment, SDS also has an ongoing repair and maintenance contract with the MOD. SDS has been providing this service to the MOD over the last seven years. This agreement is signed on a three-year renewal basis and the company foresees no reason why this should not continue to be the case. This contract should bring in an estimated average of £35,000 per annum for the group.

The July bombings of the Ritz-Carlton and Marriot hotels in Jakarta, Indonesia, have again highlighted the continuous struggles that hotel security departments face. This is the main drive of the new initiative of the Hotel Security Excellence Rating Project, developed jointly by Frost & Sullivan (F&S) and SDS, for hotels around the world.

The team completed its first hotel security assessment earlier this month of the Cumberland Hotel in London. The results of assessments will be published upon the completion of more hotels. F&S will make the results available to a limited audience of corporations that have a large number of executive travelers as well as travel agencies who work with corporate travelers and others.

As we pointed out in our initiation report, F&S and SDS will conduct a series of three-day comprehensive training workshops for hotel security managers and hotel staff in public-facing roles. However, it is recommended that appropriate training is needed to prepare all hotel staff. The first set of courses is schedule to take place in London in September.

The momentum of contract wins and the kick start of the Hotel Security Excellence Rating Project are all very encouraging for Pentagon in the current economic environment where everybody is cutting back their budgets. It shows the defence sector is robust.

Y/E	Sales	Declared Pre-tax Profit	Adjusted Pre-tax Profit	Adjusted EPS (Basic)	P/E ratio	Divi	Yield
SEPT	£000	£000	£000	p.	x	p.	%
2007A	1,736	-326	-326	-0.10	-	-	-
2008A	1,444	-2,991	-602	-0.15	-	-	-
2009E	No	forecasts					
2010E	No	forecasts					

Pentagon Protection Plc

12 August 2009

Management	Major Shareholders	
<b>Chairman:</b> Haytham ElZayn	K&C Corporation Pte	8.11%
<b>Finance Director:</b> Danielle Stewart	D Thomas	6.33%
<b>Sales Director:</b> Stephen HARRY	John Ross Wyatt	5.85%
<b>Technical Director:</b> Dr John Wyatt	Haytham ElZayn	5.35%
<b>Director:</b> Patric Fransko	Boyce Investments Ltd	5.02%
<b>Company Secretary:</b> Alan Nicholl		
Key Dates	Key Milestones	
<b>Next Full Year Results:</b> March 2010	<b>2003:</b> Admission to AIM	
<b>Next Interim Results:</b> June 2010	<b>2006:</b> Disposal of the Automotive Division	
	<b>2008:</b> Acquired SDS Group Limited	

## Pentagon Protection Plc

12 August 2009

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