



9 August 2013

**Flowgroup plc
(the "Company")**

**Announcement of target customer numbers reached
and consequent withdrawal of home energy tariff**

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy products, announces that its home energy business, Flow Energy, has reached and exceeded its planned target for gaining home energy customers. The Group's original planned target of 36,000 home energy customer accounts has been extended due to favourable market conditions and as a result Flow Energy's current customer base stands at just under 53,000 customer accounts.

In line with the Flowgroup business plan, the Thames tariff will now be withdrawn and no further home energy customers will be registered. This is to allow the business to concentrate on the final domestic trial of the Flow microCHP boiler, planned for November 2013, and the launch of Flowgroup's integrated boiler and home energy proposition in April 2014.

Tony Stiff, Group CEO and Managing Director of Flow Energy, said, "Our business is progressing to plan. We launched Flow Energy with a target of 36,000 customer accounts in order to test our systems, build awareness of our brand and bed down our procedures before the key launch of our microCHP boiler business in 2014. We hit this milestone early and decided to increase our target for customer numbers. Now, with 53,000 customer accounts, we're withdrawing our tariff, as we had always planned, to allow us to concentrate on the development of our boiler business. Following an extremely strong customer response, we're currently in the final stages of choosing candidates for the 100 domestic boiler installations we have planned for this winter, which will provide key data and customer feedback for the launch of our integrated boiler and home energy proposition next year."

For further information please contact:

Flowgroup plc

Tony Stiff, Group Chief Executive Officer

www.flowgroup.uk.com

Tel: +44 (0)151 348 2100

Cenkos Securities plc (NOMAD & Broker)

Stephen Keys / Adrian Hargrave (Corporate Finance / Nomad)
Julian Morse (Sales)

www.cenkos.com

Tel: +44 (0)20 7397 8900

Walbrook PR Ltd

Paul McManus (Media Relations)
Paul Cornelius (Investor Relations)

Tel: +44 (0)20 7933 8780

paul.mcmanus@walbrookpr.com

paul.cornelius@walbrookpr.com