

18 May 2007

REFLEC PLC
(‘Reflec’ or ‘the Group’)

MoU with Serco Group Plc

The Group is pleased to announce that its recently formed subsidiary, Perseus Global Security Technologies Ltd (‘Perseus’) has today signed a Memorandum of Understanding (MoU) with a subsidiary of Serco Group Plc (‘Serco’).

The MoU is a partnering agreement between the two companies in the area of analysis, measurement, commercialisation and operation of security risk and resilience methodology for Critical National Infrastructure (CNI). This area includes Public Sector bodies that oversee and advise on CNI, as well as the Private Sector Industrial base that supplies technology and service delivery solutions.

Perseus is a key participant in the UK's CNI programme, as was highlighted at the recent RUSI conference on 25/26 April. The MoU formalises the activities Perseus has been undertaking with Serco over the past several months on a number of projects involving CNI - including the UK's railways and high security locations. Serco will now further involve Perseus in a number of projects for which Serco needs Perseus' capabilities in security surveys and the assessment of risk and resilience for a number of its clients.

Tim Hearley, Chairman of Reflec plc, commented, ‘Since Reflec acquired Perseus last year we have been fully supportive of the company and the manner in which it has created its own niche in the security market place. This MoU with Serco is indicative of the value Perseus is bringing to the industry and the demand that there is for its unique services.’

Reflec (AIM Ticker: REF), based in Winsford, Cheshire is the centre for powder processing and micro-grinding, research and development, production of reflective systems, and the sales of these products and services across Europe. Its chroma-keying materials are already in use by BBC TV, CNN, Disney and Time Warner. Reflec USA owns valuable IPR, patents and trademarks for reflective materials, reflective fabric and apparel worldwide. Reflec's surveying and risk analysis subsidiary, Perseus (Global Security Technologies) Ltd, is based in Farnham.

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Notes to Editors:

Perseus

Perseus (Global Security Technologies) Ltd is based in Farnham and has representatives in the USA and the Middle East. Its skill is to use specialised tailored software to analyse its survey data to assess risk and this gives the company the ability to tailor security solutions to safeguard individual locations. Among the previous projects in which the company's founders have played principal roles were the planning and positioning of counter-terrorist anti-attack vehicle barriers to protect the Houses of Parliament, New Scotland Yard and other important locations in central London. The solutions take account of known criminal and terrorist modus operandii. With their combined experience, the directors will be able to draw on a wide range of security products with which to design the required solutions.