

1 August 2007

### **St Ives plc - Trading Statement**

The Board of St Ives plc today released the following pre close period update on trading for the financial year ending 3 August 2007.

As indicated in our interim statement on 11 April conditions in most markets continued to be extremely challenging and forward visibility limited. Overall trading in the second half of the year has been broadly in line with current market expectations and, for the year as a whole, the underlying performance is expected to be considerably ahead of the previous year.

Overall demand for books has remained steady; sales of point of sale products and services have increased and the initial contribution from Service Graphics, from 3 November 2006 (the date of acquisition), was in line with expectations. Other markets continue to suffer from overcapacity and price pressure. In these other areas management has undertaken rationalisation and other cost saving measures. The manufacturing facilities in Florida have been merged to improve efficiencies and in the UK similar consolidation of production is taking place in our Romford and Crayford plants.

The surplus property and plant in Florida is being sold. Property that was surplus to requirements at Head Office has been sold and the remaining space will be used to accommodate the London facilities of Service Graphics. Cash which has been generated from the sale of surplus property and assets will finance the overall rationalisation costs.

The company will announce its preliminary results for the year on 16 October 2007.

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