

14th September 2011

## **St Ives plc – Acquisition**

St Ives plc (“St Ives” or “the Group”) is pleased to announce the acquisition of Response One Holdings Limited (“Response One”).

The acquisition of Response One represents a further step in St Ives’s strategy to create a complementary range of digital and marketing services, whilst reducing exposure to commoditised print markets and to enable the Group to add further value to existing and new clients.

Established in 1998, Response One is one of the UK’s leading and fastest growing data marketing businesses. The business helps its clients design and deliver effective customer and prospect communications through more intelligent use of data. Principal services include specialist media buying and sales; data quality insight and strategic campaign planning; and print management. By integrating these services into a single solution, Response One has created a unique offering that has transformed multi-channel marketing activities for organisations across the UK. The business employs approximately 70 staff, is headquartered in Bath and has a strong client base including a number of FTSE 100 companies and household names.

In the financial year ended 31 October 2010, Response One generated underlying\* EBITDA of £1.9 million and a profit before tax of £1.5 million on revenue of £19.1 million; gross assets were £8.7 million. Response One is expected to generate underlying\* EBITDA of approximately £2.5 million on revenue of £25.0 million for the year ended 31 October 2011 (\* before items of a one-off nature).

St Ives has agreed to acquire all of the issued share capital of Response One, on a cash and debt free basis, for a multiple of 6.5x the audited EBITDA of Response One for the year ending 31 October 2011, subject to a cap of £19 million.

The vendors are Patrick Sargeant and Tim Calvert-Jones, the founders and majority shareholders, together with other employees. Approximately 70% of the consideration payable will be in cash with the balance to be satisfied by the issue of up to approximately 7.5 million new St Ives ordinary shares.

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It is expected that the acquisition will be earnings enhancing in the current financial year.

Following the acquisition, Response One will operate as a subsidiary of St Ives and will continue to be managed by the existing management team from its current premises.

Patrick Martell, Chief Executive of St Ives said:

“Response One is an excellent fit with our growing portfolio of marketing services offerings and will give us the opportunity to sell a wider range of services across a broader customer group. The acquisition significantly enhances and extends the data based offering we are able to provide to clients enabling them to maximise returns from their marketing campaigns. I am delighted to welcome Response One to the St Ives Group.”

For further information please contact:

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