

21 September 2011

### St Ives plc – Acquisition

St Ives plc (“St Ives” or “the Group”) is pleased to announce the acquisition of Pragma Holdings Limited (“Pragma”), a leading consultancy specialising in retail and consumer markets.

The acquisition of Pragma follows the acquisition of Response One announced last week and represents another important step in St Ives’s strategy to create a complementary range of 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 1988, Pragma helps its clients to develop and implement retail and consumer strategy through the use of sophisticated market research and complex analysis. The business employs approximately 17 staff, is headquartered in Twickenham and has a strong client base including a number of major retailers, financial institutions and other consumer facing organisations.

In the financial year ended 31 March 2011, Pragma generated underlying\* EBITDA of £0.6 million and a profit before tax of £0.5 million on revenue of £2.5 million; gross assets were £1.4 million. Pragma is expected to generate underlying\* EBITDA of approximately £0.7 million on revenue of £3.0 million for the year ending 31 March 2012 (\* before items of a one-off nature).

St Ives has agreed to acquire all of the issued share capital of Pragma, on a cash and debt free basis, for a multiple of 6.0x the audited EBITDA of Pragma for the year ending 31 March 2012, subject to a cap of £6.0 million. The consideration will comprise an initial amount of £3.3 million, payable on completion, followed by a deferred amount, payable subject to the audited EBITDA of Pragma for the year ending 31 March 2012.

The vendors are co-founders Monica Lucas and Roy Palmer, and Chief Executive Patrick Woodall. Approximately 65% of the consideration payable will be in cash with the balance to be satisfied by the issue of new St Ives ordinary shares.

It is expected that the acquisition will be earnings enhancing in the current financial year. Following the acquisition, Pragma 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:

“Following the acquisition of Response One last week, Pragma is another excellent fit with our growing portfolio of marketing services offerings and will give us further opportunity to sell a wider range of higher value add services across a broader customer group. I am delighted to welcome Pragma to the St Ives Group.”

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