

30 November 2009

St Ives plc - Interim Management Statement

St Ives is today publishing its Interim Management Statement covering the period from 1 August 2009 to date.

Underlying sales for the 13 week period ending 30 October 2009 were approximately 9% below the comparable period for the previous year. Despite the lower level of sales, profitability remains in line with management's expectations, benefiting from the cost reduction actions that were outlined in the preliminary results statement, issued on 19 October 2009.

Our book business continues to benefit from steady demand, its market leading position and extended range of added value services. Magazine volumes have shown no sign of improvement as pagination continues to be severely impacted by reduced advertising spend. Our well invested facilities and reputation for service and quality continue to enable us to secure targeted work to mitigate the effects of reduced demand.

Demand for point-of-sale products is holding up, helping to compensate for ongoing margin pressure and shorter notice periods for campaigns, the latter leading to increased costs. Our outdoor advertising and events business has seen some increase in activity, which is encouraging, although volumes remain significantly below those for the prior year. Inevitably, within the direct response and commercial business, some direct response advertising campaigns have been cancelled or postponed as a result of the disruption to the postal system.

There have been no significant changes to the Company's financial position since 1 August 2009 and cash flows remain strong.

Overall, the economic outlook remains uncertain, a number of our customers have expressed caution with regard to the early part of the New Year and there are no signs yet of an underlying improvement in activity. However, we are seeing the benefit of the actions taken to reduce the cost base of the group and our businesses are very well positioned to take advantage of increased activity levels when they occur.

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