

9 March 2010

ST IVES plc
Interim Results for the 26 weeks ended 29 January 2010

St Ives plc, the UK's leading printing group, announces interim results for the 26 weeks ended 29 January 2010.

Key Points

- Underlying revenue from continuing operations £187.1m* (2009: £208.0m)
- Underlying profit before tax from continuing operations £8.4m* (2009: £6.2m)
- Profit from continuing operations before tax £8.3m (2009: £4.4m)
- Underlying earnings per share from continuing operations 5.59p* (2009: 4.15p)
- Interim dividend of 1.75p per share (2009: 1.75p per share)
- Successful actions taken to reduce costs and debt
- Significant improvement in profits before tax despite lower revenues
- Underlying gross margins increased by 2%
- New management team transitioned and driving change

* Before restructuring costs, provision releases and other one-off items

Commenting on the results, Patrick Martell, Chief Executive of St Ives, said:

“Following the actions taken during 2009, we are pleased to report an improvement in the Group’s profitability, despite reduced volumes and pricing pressure leading to lower revenues.

“While we are not anticipating any immediate improvement in our underlying markets, we will continue our focus on cross selling where we have existing relationships and further develop our offering to new and existing customers. This will, we believe, allow us to make progress during these difficult times and to take advantage of better market conditions in due course.”

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CHIEF EXECUTIVE'S STATEMENT

Results

The results for the Group for the 26 weeks ended 29 January 2010 show an underlying* profit before tax of £8.4 million (2009 £6.2 million).

As indicated in our pre close update, Group revenues of £187.1 million were lower than for the equivalent period in the prior year (2009 £208.0 million) as a result of a combination of reduced volume and price pressure. The reduction in net sales, after the deduction of materials and sub-contracting costs, has however, been partially mitigated by an improved work mix. Underlying* gross margins have improved by approximately 2% as a result of the actions taken to reduce labour costs and also due to lower energy costs. Actions taken to reduce net debt from £19.0 million at the end of the previous financial year to £5.4 million have resulted in significantly lower interest charges.

Dividend

The board has declared an interim dividend of 1.75p per share (2009 1.75p per share) which, this year, will be payable on 1 April 2010 to shareholders on the register at 19 March 2010.

Media Products

Revenues from our book customers again increased modestly as we continued to benefit from our superior levels of service and extended added value offering. The recent investments into an integrated digital production line and automated warehouse have been a success and our book business continues to be strong, with volumes looking robust moving forward.

Magazine volumes continue to be impacted by reduced pagination and migration online for some content and advertising spend. In spite of the actions taken on cost, including the closure of our Andover facility, we experienced a loss in this area. Excess manufacturing capacity in the sector still exists and our focus is on those products and for those customers where high levels of service and quality are required. We continue to keep the cost base of this business under close review and will take further action should it become necessary.

Commercial Products

The markets for direct mail and general commercial printing remain particularly tough and excess capacity still exists despite the failure of a number of competitors and the closure of our Crayford facility in 2009. Our reduced cost base, well invested plants and actions taken to extend our added value offering have helped us to remain competitive, although sufficient volume to achieve effective utilisation remains a challenge.

Our businesses serving the point of sale market continue to benefit from good overall levels of demand. However, margins remain under pressure and as a result we have had to decline some work offered at uneconomic price levels. It is likely that this margin pressure will continue into the second half of our financial year.

There are some early signs within the market for exhibitions and events that activity is picking up, despite a reduction in first half volumes versus the prior year. We have made a number of changes to the senior management team and sales structure which will ensure we are well positioned to take advantage should that pick-up in activity result in increased volumes. Whilst visibility is limited, we expect the performance in the second half of the year to show an improvement compared to last year.

CHIEF EXECUTIVE'S STATEMENT *continued*

Balance Sheet

The Group's balance sheet remains robust; the businesses are very well invested and we expect capital expenditure going forward to continue to be below historic levels. Market conditions continue to be tough but, as can be seen from the results, we have improved Group profits and reversed the loss made in the Commercial Products segment. Our financial strength has further improved following our actions on costs, our focus on working capital and tight control of capital expenditure.

Outlook

We are not anticipating any immediate improvement in our underlying markets. Our focus across the Group is to cross sell where we have existing relationships and further develop our added value offering to new and existing customers. In addition, throughout the Group we are focused on driving more volume through the businesses but with particular regard to seasonality and optimising work mix.

We believe that continuing management actions and our financial strength will enable us to continue to make progress during these particularly difficult times and to take advantage of any upturn in our markets when it occurs.

Patrick Martell
Chief Executive

9 March 2010

* Before restructuring costs, provision releases and other one-off items.

CONDENSED CONSOLIDATED INCOME STATEMENT

26 weeks to 29 January 2010

	Before restructuring costs, provision releases and other one-off items	Restructuring costs, provision releases and other one-off items (note 4)	Total	26 weeks to 30 January 2009	52 weeks to 31 July 2009
	£'000	£'000	£'000	£'000	£'000
Revenue (note 2)	187,076	298	187,374	207,971	386,782
Cost of sales	(144,195)	(755)	(144,950)	(165,501)	(311,423)
Gross profit	42,881	(457)	42,424	42,470	75,359
Selling costs	(12,046)	(106)	(12,152)	(13,934)	(28,610)
Administrative expenses	(21,771)	(1,377)	(23,148)	(22,771)	(50,800)
Other operating income/(expense)	201	1,844	2,045	558	(331)
Profit/(loss) from operations (note 2)	9,265	(96)	9,169	6,323	(4,382)
Investment income	6,663	–	6,663	6,394	12,857
Finance costs	(7,521)	–	(7,521)	(8,310)	(15,716)
Profit/(loss) before tax	8,407	(96)	8,311	4,407	(7,241)
Income tax (charge)/credit (note 5)	(2,648)	1,009	(1,639)	(1,345)	916
Profit/(loss) for the period from continuing operations	5,759	913	6,672	3,062	(6,325)
Loss from discontinued operations	–	–	–	(9,773)	(8,233)
Net profit/(loss) for the period	5,759	913	6,672	(6,711)	(14,558)
Basic and diluted earnings/ (losses) per share (note 7)					
From continuing operations	5.59p	0.88p	6.47p	2.97p	(6.14)p
From continuing and discontinued operations	5.59p	0.88p	6.47p	(6.51)p	(14.13)p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	26 weeks to 29 January 2010	26 weeks to 30 January 2009	52 weeks to 31 July 2009
	£'000	£'000	£'000
Profit/(loss) for the period	6,672	(6,711)	(14,558)
Exchange gains on translating foreign operations	–	275	275
Transfer to profit and loss from equity of exchange differences on disposal of foreign operations and repayment of group hedging loan	–	(235)	(235)
Actuarial (losses)/gains on defined benefits pension scheme	(11,306)	12,375	(5,511)
(Losses)/gains on cash flow hedges taken to equity	(34)	586	209
Tax charge/(credit) on items taken directly to equity	3,170	(3,629)	1,491
Other comprehensive (expense)/income for the period	(8,170)	9,372	(3,771)
Total comprehensive (expense)/income for the period	(1,498)	2,661	(18,329)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	ESOP reserve	Capital redemption reserve	Share option reserve	Hedging and translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2008	10,355	46,689	(1,913)	1,238	149	(40)	98,392	154,870
Loss for the period	–	–	–	–	–	–	(6,711)	(6,711)
Other comprehensive income for the period	–	–	–	–	–	462	8,910	9,372
Dividends	–	–	–	–	–	–	(12,521)	(12,521)
Recognition of share- based payments	–	–	–	–	52	–	–	52
Balance at 30 January 2009	10,355	46,689	(1,913)	1,238	201	422	88,070	145,062
Loss for the period	–	–	–	–	–	–	(7,847)	(7,847)
Other comprehensive expense for the period	–	–	–	–	–	(265)	(12,878)	(13,143)
Dividends	–	–	–	–	–	–	(1,803)	(1,803)
Release of share- based payments	–	–	–	–	(201)	–	–	(201)
Balance at 31 July 2009	10,355	46,689	(1,913)	1,238	–	157	65,542	122,068
Profit for the period	–	–	–	–	–	–	6,672	6,672
Other comprehensive expense for the period	–	–	–	–	–	(30)	(8,140)	(8,170)
Dividends	–	–	–	–	–	–	(515)	(515)
Balance at 29 January 2010	10,355	46,689	(1,913)	1,238	–	127	63,559	120,055

CONDENSED CONSOLIDATED BALANCE SHEET

	29 January 2010	30 January 2009	31 July 2009
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	118,162	126,367	122,178
Goodwill	46,274	46,273	46,274
Other intangible assets	1,006	1,362	1,215
Deferred tax assets	6,648	–	3,484
Financial assets	3,315	3,469	3,109
Other non-current assets	809	1,832	1,415
	176,214	179,303	177,675
Current assets			
Inventories	11,027	12,681	10,642
Trade and other receivables	69,259	97,650	71,685
Current tax receivable	–	–	1,666
Derivative financial instruments	176	–	209
Cash and cash equivalents	13,704	492	14,016
Assets held for sale	–	1,282	1,282
	94,166	112,105	99,500
Total assets	270,380	291,408	277,175
LIABILITIES			
Current liabilities			
Trade and other payables	76,258	77,124	74,429
Loans and bank overdrafts	–	3,199	33,016
Other financial liabilities	–	39	–
Current tax liabilities	516	504	–
Provisions	1,746	983	5,421
Deferred income	706	611	851
	79,226	82,460	113,717
Non-current liabilities			
Loans	19,120	36,173	–
Retirement benefit obligations (note 8)	48,836	20,920	38,283
Deferred income	650	1,095	983
Provisions	953	936	582
Deferred tax liabilities	1,540	4,762	1,542
	71,099	63,886	41,390
Total liabilities	150,325	146,346	155,107
Net assets	120,055	145,062	122,068
EQUITY			
Capital and reserves			
Share capital	10,355	10,355	10,355
Other reserves	46,141	46,637	46,171
Retained earnings	63,559	88,070	65,542
Total equity	120,055	145,062	122,068

These interim statements were approved by the board of directors on 9 March 2010.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	26 weeks to 29 January 2010	26 weeks to 30 January 2009	52 weeks to 31 July 2009
	£'000	£'000	£'000
Operating activities			
Cash generated from operations (note 9)	18,304	6,112	33,807
Interest received	2	–	–
Interest paid	(612)	(1,435)	(1,779)
Income taxes received/(paid)	544	(2,647)	(2,680)
Net cash generated from operating activities	18,238	2,030	29,348
Investing activities			
Purchase of property, plant and equipment	(7,327)	(10,548)	(19,197)
Purchase of other intangibles	(130)	(265)	(613)
Proceeds on disposal of property, plant and equipment	3,422	4,620	4,965
Disposal proceeds of subsidiary, net of cash disposed	–	17,764	20,608
Net cash (used in)/generated from investing activities	(4,035)	11,571	5,763
Financing activities			
Capital element of finance lease rentals	–	(191)	(230)
Dividends paid (note 6)	(515)	(12,521)	(14,324)
Decrease in bank loans	(14,000)	(10,117)	(12,961)
Increase in bank overdrafts	–	3,199	–
Net cash used in financing activities	(14,515)	(19,630)	(27,515)
Net (decrease)/increase in cash and cash equivalents	(312)	(6,029)	7,596
Cash and cash equivalents at beginning of period	14,016	5,635	5,635
Effect of foreign exchange rate changes	–	886	785
Cash and cash equivalents at end of period (note 9)	13,704	492	14,016

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The interim statements have been prepared in accordance with IAS34 "Interim Financial Statements", the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

The directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the combined financial information for the twenty six weeks ended 29 January 2010.

The interim statements have been prepared in accordance with the accounting policies set out in the Group's Annual Report and Accounts for 2009 except as outlined below. The interim statements have not been audited or reviewed.

Changes in accounting policy

In the current financial year, the Group has adopted International Financial Reporting Standard 8 "Operating Segments" and IAS1 "Presentation of Financial Statements (revised 2007)" and amendments to IAS23 "Borrowing Costs" came into effect.

IAS1 has resulted in the renaming of certain of the primary financial statements and requires that the condensed combined statement of changes in equity shows the changes in each component of equity. IFRS8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to segments and to assess their performance, and has not resulted in a change to the way the Group identifies or presents operating segments.

IAS23 requires borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset to be capitalised and has not led to any borrowing costs being capitalised in the twenty six weeks ended 29 January 2010.

In addition, the Group has changed the policy for columnar presentation of income statement items. Items are now presented in the middle column under the heading "restructuring costs, provision releases and other one-off items" if they are significant in size and do not occur in the normal course of business, or if they represent the operating results of a site arising after a formal decision on its closure has been taken. The adoption of this policy resulted in the operating loss of the Andover site arising after 31 August 2009 being presented in the middle column.

The interim statements and prior half and full year comparatives do not comprise statutory accounts for the purpose of Section 435 of the Companies Act 2006. The abridged information for the fifty two weeks to 31 July 2009 has been extracted from the Group's statutory accounts for that period which have been filed with the Registrar of Companies. The Auditor's report on the accounts of the Group for that period was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS *continued*

1. Basis of preparation *continued*

Risks and uncertainties

The board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in pages 23 and 24 and 98 to 100 of the Group's 2009 Annual Report and Accounts, a copy of which is available on the Group's web site: www.st-ives.co.uk. The key financial risks are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

2. Segment reporting

The Group manages its business on a market segment basis. Inter-segment sales are charged at arm's length prices. Corporate costs are allocated to revenue generating segments as this presentation better reflects their profitability.

Business segments

	26 weeks to 29 January 2010			
	Media Products £'000	Commercial Products £'000	Elimination £'000	Total £'000
Revenue				
External sales	77,789	109,585	–	187,374
Inter-segment sales	1,362	1,799	(3,161)	–
Total revenue	79,151	111,384	(3,161)	187,374
Result				
Segmental result	6,955	2,214	–	9,169
Add back restructuring costs, provision releases and other one-off items	808	(712)	–	96
Segmental result before restructuring costs, provision releases and other one-off items	7,763	1,502	–	9,265
Total restructuring costs, provision releases and other one-off items				(96)
Profit from operations				9,169
Investment income				6,663
Finance costs				(7,521)
Profit before tax				8,311
Income tax expense				(1,639)
Profit for the period from continuing operations				6,672

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Segment reporting *continued*

Business segments *continued*

	26 weeks to 30 January 2009			
	Media Products £'000	Commercial Products £'000	Elimination £'000	Total £'000
Revenue				
External sales	83,921	124,050	–	207,971
Inter-segment sales	439	2,680	(3,119)	–
Total revenue	84,360	126,730	(3,119)	207,971
Result				
Segmental result	7,833	(1,510)	–	6,323
Add back restructuring costs, provision releases and other one-off items	383	1,367	–	1,750
Segmental result before restructuring costs, provision releases and other one-off items	8,216	(143)	–	8,073
Total restructuring costs, provision releases and other one-off items				(1,750)
Profit from operations				6,323
Investment income				6,394
Finance costs				(8,310)
Profit before tax				4,407
Income tax expense				(1,345)
Profit for the period from continuing operations				3,062

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. Segment reporting *continued*

Business segments *continued*

	52 weeks to 31 July 2009			
	Media Products £'000	Commercial Products £'000	Elimination £'000	Total £'000
Revenue				
External sales	154,492	232,290	–	386,782
Inter-segment sales	1,344	3,460	(4,804)	–
Total revenue	155,836	235,750	(4,804)	386,782
Result				
Segmental result	7,257	(11,639)	–	(4,382)
Add back restructuring costs, provision releases and other one-off items	5,084	9,448	–	14,532
Segmental result before restructuring costs, provision releases and other one-off items	12,341	(2,191)	–	10,150
Total restructuring costs, provision releases and other one-off items				(14,532)
Profit from operations				(4,382)
Investment income				12,857
Finance costs				(15,716)
Loss before tax				(7,241)
Income tax credit				916
Loss for the period from continuing operations				(6,325)

Geographical segments

The Media Products and Commercial Products business segments operate primarily in the UK, deriving more than 90% of their revenues and profits from operations and customers located in the UK.

3. Seasonality

Group sales are more heavily weighted towards the first half of the financial year, with approximately 54% of revenue recognised in the first half of the fifty two week period ended 31 July 2009.

NOTES TO THE FINANCIAL STATEMENTS *continued*

4. Restructuring costs, provision releases and other one-off items

Restructuring costs, provision releases and other one-off items disclosed on the face of the consolidated income statement in respect of continuing operations are as follows:

	26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
Expense/(income)			
<i>Restructuring items</i>			
Redundancies, impairments and other charges	1,764	2,149	13,801
(Gain)/loss on disposal of fixed assets and assets held for sale	(1,844)	–	807
Profit on disposal of music and multimedia business	–	(420)	(345)
Andover operating loss	176	–	–
	96	1,729	14,263
<i>Other</i>			
Costs associated with the closure of the defined benefits pension scheme to future accruals	–	21	19
Press fire	–	–	250
	96	1,750	14,532
Related income tax	(1,009)	(533)	(3,114)
	(913)	1,217	11,418

Andover operating loss

	26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
Income/(expense)			
Revenue	298	–	–
Cost of sales	(332)	–	–
	(34)	–	–
Gross loss	(142)	–	–
Administrative expenses	(142)	–	–
	(176)	–	–
Operating loss	(176)	–	–

Redundancies, impairments and other charges in the period includes redundancies (£691,000) and other restructuring costs within the Media Products and Commercial Products segments. The Romford site, classified as an asset held for sale at 31 July 2009, was sold on 8 October 2009 resulting in a profit of £1,614,000. The sale of property, plant and equipment from the Andover site after the site closure gave rise to a gain of £230,000 in the period.

"Andover operating loss" comprises the operating loss incurred at the Andover site after the decision to close on 31 August 2009.

Income tax includes a credit of £544,000 related to the Group's Dutch subsidiary, St Ives Uden BV, as detailed in note 5 below.

NOTES TO THE FINANCIAL STATEMENTS *continued*

5. Tax

Tax on profit of continuing operations as shown in the income statement is as follows:

	26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
Expense/(income)			
United Kingdom income tax	2,183	1,345	(818)
Overseas income tax	(544)	–	(98)
	<hr/> 1,639 <hr/>	<hr/> 1,345 <hr/>	<hr/> (916) <hr/>

Overseas income tax includes a credit of £544,000 related to the carry back and offset of taxable losses against prior year profits in the Group's Dutch subsidiary, St Ives Uden BV.

6. Dividends

		26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
	per share			
Final dividend paid for the 52 weeks ended 1 August 2008	12.15p	–	12,521	12,521
Interim dividend paid for the 26 weeks ended 30 January 2009	1.75p	–	–	1,803
Final dividend paid for the 52 weeks ended 31 July 2009	0.5p	515	–	–
Dividends paid during the period		<hr/> 515 <hr/>	<hr/> 12,521 <hr/>	<hr/> 14,324 <hr/>
Proposed interim dividend for the 26 weeks ended 29 January 2010	1.75p	<hr/> 1,803 <hr/>		

NOTES TO THE FINANCIAL STATEMENTS *continued*

7. Earnings per share

Number of shares

	26 weeks to 29 January 2010 million	26 weeks to 30 January 2009 million	52 weeks to 31 July 2009 million
Weighted average and diluted weighted average number of ordinary shares for the purposes of basic earnings per share	103.1	103.1	103.1

Basic and diluted earnings per share

	26 weeks to 29 January 2010		26 weeks to 30 January 2009		52 weeks to 31 July 2009	
	Earnings £'000	Earnings per share pence	Earnings £'000	Earnings per share pence	Earnings £'000	Earnings per share pence
Earnings and earnings per share from continuing activities						
Earnings and basic earnings per share	6,672	6.47	3,062	2.97	(6,325)	(6.14)
Restructuring costs, provision releases and other one-off items	(913)	(0.88)	1,217	1.18	11,418	11.08
Underlying earnings and underlying earnings per share	5,759	5.59	4,279	4.15	5,093	4.94
Earnings and earnings per share from discontinued activities						
Losses and basic losses per share	–	–	(9,773)	(9.48)	(8,233)	(7.99)
Restructuring costs, provision releases and other one-off items	–	–	10,249	9.94	8,709	8.45
Underlying earnings and underlying earnings per share	–	–	476	0.46	476	0.46
Basic earnings/(losses) per share from continuing and discontinued activities		6.47		(6.51)		(14.13)

Underlying earnings is calculated by adding back restructuring costs, provision releases and other one-off items, as adjusted for tax, to the profit for the period.

8. Retirement benefits

The net liability in respect of retirement benefit obligations of £48.8 million at the balance sheet date has increased compared to 31 July 2009 (£38.2 million) due primarily to a decrease in the discount rate from 6.0% at 31 July 2009 to 5.4% at 29 January 2010.

NOTES TO THE FINANCIAL STATEMENTS *continued*

9. Notes to the consolidated cash flow statement

Reconciliation of cash generated from operations

	26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
Profit/(loss) from continuing operations	9,169	6,323	(4,382)
Loss from discontinued operations	–	(9,547)	(9,547)
Adjustments for:			
Depreciation of property, plant and equipment	9,421	11,506	20,760
Loss on disposal of subsidiary	–	10,554	10,554
Impairment losses	–	–	2,219
Amortisation of intangible assets	325	520	923
(Gain)/loss on disposal of property, plant and equipment	(2,045)	(525)	368
Foreign exchange gains	–	(397)	(204)
Deferred income credit	(478)	(480)	(351)
Share-based payment charge/(credit)	–	51	(149)
Decrease in retirement benefits obligations	(1,000)	(15,683)	(16,805)
(Decrease)/increase in provisions	(3,303)	(978)	2,768
Operating cash inflows before movements in working capital	12,089	1,344	6,154
(Increase)/decrease in inventories	(385)	(1,790)	260
Decrease/(increase) in receivables	2,930	(5,406)	17,594
Increase in payables	3,670	11,964	9,799
Cash generated from operations	18,304	6,112	33,807

Analysis of net debt

	1 August 2009 £'000	Cash flow £'000	Exchange movements £'000	29 January 2010 £'000
Cash and cash equivalents	14,016	(312)	–	13,704
Bank loans	(33,016)	14,000	(104)	(19,120)
	<u>(19,000)</u>	<u>13,688</u>	<u>(104)</u>	<u>(5,416)</u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less. The effective interest rates on cash and cash equivalents are based on current market rates.

NOTES TO THE FINANCIAL STATEMENTS *continued*

9. Notes to the consolidated cash flow statement *continued*

Cash flows from discontinued operations

Included within the cash flow statement are the following cash flows from discontinued operations:

	26 weeks to 29 January 2010 £'000	26 weeks to 30 January 2009 £'000	52 weeks to 31 July 2009 £'000
Net cash generated from operating activities	–	1,691	1,691
Net cash generated from investing activities	–	2,232	2,232
Net increase in cash from discontinued operations	–	3,923	3,923

10. Related parties

The nature of related party transactions of the Group has not changed from those described in Group's consolidated financial statements for the fifty two week period ended 31 July 2009. There were no transactions with related parties during the twenty six week period 29 January 2010 which had a material effect on the results or financial position of the Group.

11. A copy of these interim statements will be available shortly on the Group's website and will be sent to all shareholders.

12. Responsibility statement

We confirm that, to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS34 "Interim Financial Reporting";
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the year and descriptions of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the board

Patrick Martell
Chief Executive

9 March 2010

The foregoing contains forward looking statements made by the directors in good faith based on information available to them up to 9 March 2010. Such statements need to be read with caution due to inherent uncertainties, including economic and business risk factors underlying such statements.