

2 March 2010

St Ives plc – loss of contract for IPC’s magazine titles

We have been informed by IPC that they will not be renewing the contract for the magazine titles we currently produce for them when the contract comes up for renewal at the end of June 2010. The contract is currently fulfilled across our factories in Plymouth, Peterborough and Roche and represents approximately 3% of our annual group revenue.

The market for magazine manufacture continues to be oversupplied and suffering from the general downturn in advertising spend brought about by the financial crisis and with further migration online of both advertising and content. As we have previously stated, our strategy is to focus on products and customers where there is a demand for service and quality and not to chase volumes at sub economic prices. We are confident that any impact from this contract loss, which falls at the end of the current financial year, will be mitigated by new contract wins and more efficient capacity utilisation during our next financial year, given our well invested facilities and reputation for quality and service.

We continue to keep our costs under review and will take whatever further action is necessary.

For further information please contact:

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