

26 January 2010

### **St Ives plc – Trading Update**

Further to our Interim Management Statement issued on 30 November 2009, St Ives is today providing a pre-close trading update.

With the general economic climate remaining uncertain, we have yet to see signs of any improvement in our underlying markets. However, whilst sales are expected to be lower in the first half of this financial year than the comparative period for the prior year, margins have improved, partly through the planned reduction of unprofitable volumes with high outsourcing requirements and partly through reductions in the cost base.

The Group's financial position continues to be robust with strong cash flows and reduced debt levels despite the funding of the cost reduction programme previously mentioned. We continue to keep all costs under close review and seek to identify further improvements.

We are pleased with the actions taken to strengthen the management team and our progress in improving and extending our existing range of services and products.

As previously stated, the benefits of the actions taken to date are being seen and we are confident of an improved performance in the first half of this financial year compared to the equivalent period last year. The Group continues to be in a strong position to make further progress and take advantage of any upturn in activity as and when it occurs.

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