

Wednesday 17 June 2009

## **HAVELOCK EUROPA PLC – AGM STATEMENT**

At this afternoon's AGM of Havelock Europa, the Educational and Retail Interiors and Point of Sale Printing Group, the Chairman, Malcolm Gourlay, made the following remarks with regard to current trading.

The first half of the year is proving to be challenging with group revenues continuing to run below the levels of the same period last year. This will have a corresponding impact on the income statement for the first half of the year which, as expected, will show a loss before tax in what has always been much the quieter of the two halves of the year for the Group.

In the Educational Interiors Division, activity levels remain strong, particularly in relation to Private Finance Initiative (PFI) and Building Schools for the Future (BSF) projects. There has been steady growth in the amount of business won in relation to projects in England. In the current year, thirteen PFI and seven BSF projects are already in progress or due to be commenced.

In the Retail Interiors Division, order intake has been slow as customers have taken much longer than usual to firm up their plans. These are now becoming clearer and an increased level of activity is expected in the remainder of the year. In the current climate, however, the risks of delay and cancellation remain higher than normal.

Within the Point of Sale Printing Division, revenues have been considerably below the record levels achieved in the first half of 2008. Here again there are some encouraging signs with a number of customers currently planning for increased levels of promotion in the rest of the year.

The Group's spread of activities is providing an advantage, with surplus resources from the Retail Interiors business already redeployed to work on Educational Interiors assignments. The Group will continue to seek opportunities to maximise its efficiency in the current economic climate, which the Board expects to persist throughout the rest of 2009.

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