

28 January 2013

Hasgrove plc

Full year trading update

Hasgrove plc (AIM: HGV, 'Hasgrove', or the 'Group'), the digital and communication services group, is providing a trading update for the year ended 31 December 2012.

Hasgrove expects to report gross income in the region of £19.1m (2011: £16.5m) and pre-tax profit of approximately £1.4m (2011: loss £3.0m), which is in line with market expectations. Headline operating profit, which is stated before the loss on the sale of Underwired and the non-cash charge in respect of share options was £1.5m (2011: £0.5m). The Group has not incurred any exceptional costs in the period.

Amaze, the full-service marketing and technology company, continues to perform strongly. Its experience in working with marketing, technical and e-commerce teams within large organisations has helped deliver a number of new client wins during 2012, further enhancing its global presence with brands such as ASICS.

Interact, the intelligent intranet software provider, has benefitted significantly from its entry into the US market in early 2012. This, together with increased enterprise sales in Europe and Australia has complemented its already strong UK base. Interact continues to invest in both product development and its sales and marketing infrastructure.

The Chase, the Group's creative and design agency, had a challenging year but a number of new business wins towards the end of the year are encouraging.

Overall, the Group continues to attract high quality new business opportunities and the revenue pipeline is strong.

Hasgrove's operating units continued to be cash generative, resulting in net debt reducing to £0.1m at 31 December 2012 (31 December 2011: £1.5m). Furthermore, the reduction is after the payment of earn-outs (£0.7m) and the buy-back of shares (£0.2m).

The Group expects to publish its full year results for the year to 31 December 2012 in April 2013.

Paul Sanders, Group Chief Executive, said:

"2012 was a good year for us. Performance was much improved, due to our focus on efficiencies and better project delivery.

"The level and quality of new business wins so far, combined with our strong revenue pipelines give us continued confidence for the year ahead."

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Notes to editors

Hasgrove plc is a focused digital and communication services business with over 280 employees. It serves a broad base of more than 300 clients. Group companies are Amaze, Interact (formerly Odyssey Interactive) and The Chase.

Amaze

Amaze is a leading full-service marketing and technology company, boasting a depth of understanding of technology and human behaviour. The agency's work is global - spanning 104 countries in 28 languages.

Using its insights into consumer expectations, attitudes and motivations, Amaze delivers marketing and technology solutions, from strategy through to implementation, that enable organisations to identify and act upon the opportunities created by this changing digital world.

In 2012, Amaze ranked 18th in the UK's Top 100 Interactive Agencies by *New Media Age (NMA) and The Drum*, and third in the website design and build category by *NMA* – a top five position it has held for the past three years.

Amaze also ranks 10th in *Marketing Magazine's* Digital Agency League Table and has been named within the UK's Top 10 Interactive Agencies by *Forrester*.

Interact

Interact is a leading supplier of intelligent intranet software. Founded in 1996, Interact is one of the fastest growing intranet software companies and has built a solid reputation for both product excellence and outstanding customer service. Organisations using Interact Intranet report improved efficiency, greater productivity, increased employee engagement, better decision-making and cost savings.

The Chase

The Chase is a UK creative and design consultancy. Set up in Manchester in 1986, the company also has offices in London and Preston. The Chase is consistently one of the front runners in the annual Design Week's creative league tables.