

31 January 2012

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 2011.

Hasgrove expects to report gross income in the region of £16.5m (2010: £16.0m) and a pre-exceptional operating profit of approximately £0.8m (2010: £1.7m). These figures are in line with the trading update provided on 18 November 2011.

The Group is encouraged by a number of significant projects for key clients that began towards the end of 2011. These projects are now in their main development phase and will be closely managed to ensure both client service and profitability. The Group continues to attract high quality opportunities and the pipeline is strong.

Hasgrove has largely completed the restructuring of its digital businesses following the sale of Interel, the public affairs and strategic communications division, in July 2011. As a result there will be an exceptional cost of £865,000 for the full year. No further significant exceptional costs are anticipated.

Hasgrove's operating units continued to be cash generative, resulting in net debt being reduced to £1.5m at 31 December 2011. This figure benefited from advance payments from a number of clients totalling £0.7m.

The Group expects to publish its full year results for the year to 31 December 2011 in April 2012.

Paul Sanders, Group Chief Executive, said:

"2011 was a year of change for Hasgrove, resulting in improved trading by the year end which has continued into the start of 2012. We are focused on delivering a strong first quarter, which will provide a platform for continued growth throughout 2012."

Enquiries:

Hasgrove plc

Paul Sanders, Group Chief Executive
Stephen Collins, Group Finance Director

0161 242 5650

Peel Hunt

Richard Kauffer/Daniel Harris

020 7418 8900

College Hill

Adrian Duffield/Rozi Morris

020 7457 2020

Notes to editors

Hasgrove plc is now 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 an integrated marketing and technology company, specialising in global digital strategy and communications, web-based business solutions and PR. It specialises in working with central marketing teams to concept and deliver localisable solutions.

In addition to being ranked 15th in the UK's Top 100 Interactive Agencies by New Media Age, Amaze was ranked fifth in the website design and build category for the second consecutive year. Amaze was also positioned second in B2B Marketing's 2010 Marketing Communications Agency League Table, ninth in Marketing's 2010 Digital Agency League Table and fifth in YouGov's Agency Reputation Survey in 2010

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.