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Abbeycrest PLC
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ABBEYCREST PLC - INTERIM MANAGEMENT STATEMENT

In the Annual Report & Financial Statements of Abbeycrest plc for both 2007 and 2008 we reported profitable and improving performances in three of our four major subsidiaries: Abbeycrest Thailand Limited, Abbeycrest Hong Kong Limited and Brown & Newirth Limited. In sharp contrast to this, we also reported the continuing losses at Abbeycrest's UK distribution business, G&A Limited¹ ("G&A").

With this in mind, we set out our plans in the Annual Report & Financial Statements for 2008 "to eliminate the substantial losses that were being incurred by this business, the only non-profitable subsidiary of our Group". Whilst we have made and reported good progress in removing cost and reducing the working capital requirement of G&A, the current economic climate and imminent re-banking of our facilities mean that we must now consider accelerating these plans. Consequently, the Board is now looking at ways to further restructure G&A's operations in order to reduce the Group's exposure to the low margin and working capital intensive elements of this operation. We intend to consider all options available to create a viable and sustainable enterprise, including a significant refocusing of G&A's activities and resources.

Despite difficult credit market conditions, the Board is working diligently with both existing and prospective lenders to complete a successful renewal of the Group's UK banking facilities

Shareholders will be updated on progress with both the restructuring plans and the renewal of facilities in due course.

¹ temporarily renamed Abbeycrest International Limited since the 2008 Annual Report and Financial Statements

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