



Press release

20 July 2009

Abbeycrest plc

("Abbeycrest" or "the Group")

Interim Management Statement

Abbeycrest plc (LSE: ACR), a leading international jewellery designer and manufacturer, today provides an update on business performance since the announcement of its Final Results for the year to 28 February 2009 on 26 June 2009.

The Board is pleased to report that in the current financial year, the Group is performing in line with management expectations under the Group's well advanced turnaround plan, in terms of both sales and operating profitability.

The Essentials division, Abbeycrest's established business supplying unbranded jewellery to mainstream global markets, is performing ahead of last year; delivering much improved operating results on a significantly reduced turnover. The managed withdrawal from certain, lower margin UK business streams and focus on fewer product lines, as previously reported, is working to good effect. Order intake across the breadth of customers and markets is positive and building as we look forward to the second half of the calendar year, traditionally our busier season.

The Brands division is making good progress with its new higher margin brands, Gorgeous Gold®, Fluid®, and Osare®. With Gorgeous Gold® now in-store and online at Ernest Jones, the Group's recently recruited national and regional sales managers, who bring with them strong brand experience, are also working with a number of other leading retailers. In this regard, the Board is pleased to announce that Nordiska, the jewellery wholesaling operation of the Guld Invest Norden Group, is to distribute Osare® and Fluid® across Sweden.

As previously reported, following the successful implementation of the first phase of the Group's restructuring programme, Abbeycrest has substantially reduced its net debt position compared with the same period last year. The Group has also successfully re-negotiated new working capital facilities with its senior lender in the UK, until March 2011 and recently secured additional working capital facilities in Thailand. There remains a further £1.75 million loan in the UK, with a junior lender, under which £0.75 million is required to be paid before 31 August 2009 in order to avoid penal interest rates, with the remaining £1.0 million due to be paid on 28 February 2010. As previously indicated, the Group has been exploring a number of funding options and is currently well advanced with a planned equity fundraising to obtain sufficient finance to meet these repayments and to support investment in the new brands business.

The Board is confident about the prospects for Abbeycrest and believes that, having successfully completed the important first phase of the restructuring programme, the Group should now seek to strengthen its balance sheet to ensure that the Group will be well placed to take advantage of its established position in the UK jewellery market, its increasing presence overseas and the anticipated growth from its higher margin branded collections.

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