

## **Mallett PLC**

### **Interim Management Statement**

Mallett PLC (“Mallett” or the “Company”), dealer in high quality antique furniture and works of art, issues the following interim management statement for the period from 1<sup>st</sup> July 2008 to 5<sup>th</sup> November 2008.

#### Current trading

Trading in the third quarter of the year held up well with turnover and operating profit, excluding Meta, being ahead of the same period for last year. This meant that operating profit for the Company, excluding Meta, for the nine months to 30<sup>th</sup> September 2008 was slightly ahead of the same period for last year, having been behind at the half year, as noted in our interim results statement released on 13<sup>th</sup> August.

However, the turbulence in the financial markets appears to have had a significant impact on our sales in October with a number of possible sales being deferred and recent sales cancelled. We attended the International Fine Art and Antique Dealers Fair in New York where sales were not as robust as last year and the mood was downbeat. It is difficult to predict how trading will hold up in the last two months of the year but the Board now believe it is unlikely that the Company, excluding Meta, will make a profit before tax this year.

Meta distributed its first catalogue in September and held an exhibition of its products in Mallett’s Bond Street showroom during Frieze week in October. There continues to be exceptional interest in the products with excellent attendance at the exhibition and further supportive articles in the trade press. Whilst it is a difficult time to be launching a new business, sales continue to build and costs remain in line with management expectations.

#### Financial position and operational review

Whilst the Company’s balance sheet remains robust, the recent sharp downturn in sales has put the Company’s cash management further into focus. The Board is completing its operational review which is scrutinising costs and cashflows in all areas of Mallett’s operations to ensure the Company remains on a sound financial footing for the future. The Board expects to announce the results of the review in December.

Lanto Synge, Chief Executive, commented: “The global financial crisis is putting increasing short-term pressure on the Company, in terms of profits and cash, and we are focusing on our cost base. But I believe longer term the Company will be well positioned to benefit from the

improvement in the economic situation due to the exceptional quality of our stock of antique furniture and works of art.”

For further information please contact:

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#### Forward Looking Statements

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements.

These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Listing Rules or Prospectus Rules of the Financial Services Authority or other applicable laws, regulations or rules.