

## **Mallett Plc**

### **Operational review and trading update**

Mallett Plc (“Mallett” or the “Company”), dealer in high quality antique furniture and works of art, announces the conclusions of the operational review it has undertaken during 2008.

The review focussed on opportunities and ways to increase revenues and on the Company’s cost base. Recognising the recent economic downturn, a range of actions has been agreed by the Board to ensure the Company has a sound strategy to prosper when economic growth returns. The actions are as follows:

- as a result of Bond Street now being predominantly a fashion street which has affected the footfall into our showroom, and the significant increase in our rent this year, we are looking at moving to new premises in the Mayfair area. To this end, we are seeking a purchaser for the lease on the Company’s current showroom on New Bond Street, for which a number of parties have already shown interest;
- rationalising the costs associated with Meta, recognising the exceptional interest from the media, designers and collectors which has secured sales growth even in this difficult trading environment, but ensuring that the original target of breaking even by year three remains achievable;
- assessing the Company’s stock of antique furniture and works of art and focussing our efforts on only the best available stock;
- increasing our marketing exposure to potential new clients; and
- undertaking a detailed review of our staff structure ahead of the proposed relocation of the business.

A presentation to shareholders providing more details on the operational review is available on the Company’s website at [www.mallettantiques.com/Public/Investor/Mallett-Company-Reports.aspx](http://www.mallettantiques.com/Public/Investor/Mallett-Company-Reports.aspx)

### Current trading

Trading in the last quarter has been impacted by the deteriorating economic environment which has led to a marked slowdown in sales. Because of this, the Company is expected to record an operating loss, before accounting for Meta, for the 12 months ending 31 December 2008. Meta has delivered an encouraging result, despite the economic environment, with sales doubling from those recorded at the half year, while costs in the second half are expected to be approximately 25% lower than in the first half. Reflecting the strength of our balance sheet, the Company’s bank has agreed to increase the Company’s banking facilities by £1m on competitive terms, which will provide additional working capital headroom.

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.