

**20 May 2009**

**Communis plc**

**("Communis" or the "Company")**

**Interim Management Statement**

The Board of Communis ("The Board"), the leading provider of print and marketing communication services, today publishes its Interim Management Statement.

The Board continues to develop and deliver its strategy of higher-value marketing services, which has produced good performance over the past two years. In overview, whilst our strategy is developing strong customer relationships in many parts of the business, challenging market conditions have continued to reduce volumes in less value-added segments. Current divisional performance can be summarised as follows:

- Demand remains strong for our Technology and Services offerings, which are aimed at helping our clients improve their overall customer communication process. Absolute Intuistic, the value-added data services company we acquired in December 2008, is integrating well and is already beginning to win business from existing Communis customers. Overall, this segment is trading in line with expectations.
- In our Transactional Print segment, forward revenue visibility remains good. However, volume erosion in the promotional cheque mailshot marketplace has been greater than expected, following FSA guidance on their usage.
- As expected, customer demand for Direct Mail continues to soften from the levels seen in early 2008, particularly amongst Financial Services customers, and visibility of demand in this segment remains poor.
- Volumes of more commodity print procured by our Print Sourcing segment are lower, but with only a small profit impact.

Cost reduction efforts continue throughout the business and these have helped to offset the effects of reduced volumes.

The Company has continued to develop new revenue streams, particularly in more value-added services and with customers outside Financial Services. New business obtained in the period has continued to reflect our marketing services strategy. These include a six year contract to provide the Department for Children, Schools and Families with an integrated managed service, and a five year deal to manage print procurement and provide data analysis services for T-Mobile. These contract wins help to broaden the customer base and to develop long-term relationships to support good growth in the coming years.

Action to reduce pension scheme liabilities by about 75%, as outlined in the Preliminary Results, has begun. The take-up rate of early retirement offers has exceeded management expectations, leading to optimism that the objectives can be reached as planned.

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