



Alexandra plc (“Alexandra” the “Group”) Trading Update

The Board of Alexandra provides a trading update ahead of finalising its interim results for the 6 months ended 31 July 2009 which are to be announced before the end of September. This follows an ongoing evaluation of the financial and trading position of the Group by the recently appointed Chief Executive, Tim Gifford.

As announced in the Interim Management Statement released on 19 June 2009, turnover in the first quarter ended 30 April 2009 was approximately 13% down on the same period of the previous year. The Group now reports that it has continued to feel the effects of the general economic malaise and in the six month to 31st July 2009, turnover is down approximately 17% compared to the same period last year. In a very competitive environment margins have also come under some pressure. However, the Board is pleased to report several notable contract gains with an anticipated annual sales value of approximately £5 million and in recent weeks, there has also been an encouraging increase in the level of enquiries from both existing and potential customers. The Board is hopeful that there will be an improvement in activity levels in the second half of the year which should go some way to replace the turnover shortfall, albeit that the full benefit of new contracts will not be felt until the 2010/11 financial year.

The Board has adopted a business plan presented by the Chief Executive following a review of all the major areas of the business. The plan, designed to build upon the Group’s existing strengths, including its large and diversified customer base, introduces a far greater focus on sales, in particular providing a broader customer service offering.

The Group’s external consultants continue to work with management to accelerate the reorganisation of a number of the Group’s operations to better align them to the delivery of the broader offering. One aspect of the planned reorganisation will be a substantial reduction in the level of inventory required to support the business. As a consequence of this, the results for the six months ended 31 July 2009 will be impacted by a net restructuring charge relating to an inventory write-down of redundant stock of approximately £9 million. Accelerated realisations from the sale of this inventory are expected to generate cash of between £1 million and £1.5 million, depending on negotiations yet to be concluded. This together with a further write down of £2 million, in respect of a change in the estimation of inventory values, will result in a one-off write down of inventories of approximately £11million.

Further restructuring costs in the period will amount to approximately £2 million, including the previously announced termination payments made to former directors.

The Board anticipates that net borrowings at 31st January 2010 will be of a similar level to those at the January 2009 year end, despite lower turnover levels. The Board has kept the Group’s banks informed of the trading position and of the proposed write-downs.

Stakeholders and customers can expect a greater transparency and improved communications from the new Board and accordingly the Board advises that the nature of much of the Group’s business, substantial contracts with large customers, makes prudent forecasting of the timing of profit recognition difficult. It is possible that the benefits of business currently being won will not be recognised in the current financial year. The Board cautions that the results for full year will not meet current market expectations after taking account of the decline in the trading environment in the 6 months ended 31 July 2009 and the exceptional charges referred to above.

In reviewing the balance sheet at the interim date, the Board has decided to maintain the current valuation of the surplus property at Bothwell, Scotland at £8.1 million, despite having received strong indications of interest from potential purchasers at levels significantly above this range. It is likely that any benefit from the sale of the property will materialise in the latter half of the 2010/11 financial year.

Despite the adverse effects of the difficult economic climate, the Board is confident that the changes being implemented by the new management team will establish a strong financial platform for the future.

Alexandra will announce their Interim Results for the half year ended 31 July 2009 on the 30 September 2009.

10 September 2009

Alexandra plc	01454 876002
Tim Gifford, Chief Executive	
Elaine New, Finance Director	
Arden Partners plc	020 7398 1600
Richard Day	
Winningtons Financial	0117 920 0092
Paul Vann	