

RNS ANNOUNCEMENT



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18 May 2010

INTERIM MANAGEMENT STATEMENT

To coincide with today's AGM, David Callear, Chairman of office2office plc ("o2o" or the "Group"), the managed procurement and business critical services group, announces the following Interim Management Statement for the period from 1 January 2010 to 17 May 2010 (the "Period"), the latest practicable date prior to the publication of this statement as required by the UK Listing Authority's Disclosure and Transparency Rules.

Trading summary

I am pleased to report that the Group as a whole performed in line with management expectations during the Period.

The integration of the Newbury branch of Martin Luck Ltd ("Martin Luck") was completed and is already cash generative and profitable. The amalgamation of the business process outsourcing division of The Print Factory ("TPF") with AccessPlus is progressing well and will be completed over the next few months.

Managed procurement

The Group's large contract managed procurement brand, Banner, and also Accord, which focuses on the SME sector and now includes Martin Luck, traded slightly ahead of management expectations with underlying volumes in line with the comparable period in 2009.

Business critical services

Overall, AccessPlus, excluding the newly acquired TPF business, traded marginally below management expectations. However, in the last two months there was a notable resurgence in discretionary marketing expenditure. Initial sales volumes at TPF were encouraging; the contracts of key customers targeted for retention and those which were subject to a 'change of control' provision upon acquisition were successfully secured.

Banner Document Services has made significant progress in its second year, reflecting the successful take-up of the service by the Group's public sector customers. Trading in the Period was in line with management expectations.

Net debt

The net debt position, ignoring the short term impact of the nominal cash outlay to fund the recent acquisitions, is in line with management expectations. The first £2.5 million tranche of our senior debt facility was repaid on 16 April 2010. The Group remains comfortably within its financial covenants.

Outlook

It is clear that public sector cuts will be made but it is too early to predict how they will feed through. Currently, the public sector represents around a third of Group sales and we believe that o2o is well positioned to support the drive for efficiency and savings. While the economic outlook for many of our private sector customers remains uncertain, the underlying private sector trading trends in the Period were reasonably encouraging. We remain confident that we are well placed to meet the challenges we face.

...Ends...

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