

Grafenia plc

AGM Statement

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Grafenia plc

05 August 2016

GRAFENIA PLC

AGM TRADING STATEMENT

Peter Gunning, the CEO of Grafenia plc (AIM: GRA), will make the following trading update at the Annual General Meeting (AGM) to be held at the Company's offices at Focal Point, Third Avenue, The Village, Trafford Park, Manchester M17 1FG at 10.00am today.

Trading Update

In our preliminary results announcement on 8 June 2016, we stated that trading conditions were challenging, albeit ahead of last year. Since the EU referendum we have experienced lower sales across all of our business channels. Whilst we expect lower sales in summer months, in line with usual seasonality, July performed below budget and behind the same period last year. It is difficult to forecast whether current short term economic uncertainty will continue into our busiest months in the second half and we therefore remain cautious on the outlook.

Since our last update, encouragingly we have continued to add new Nettl partners and now have over 65 locations with completed agreements. Despite the economic conditions, we still have a strong pipeline of potential new Nettl and printing.com studio partners. Both Nettl and printing.com are available under simple subscription agreements with Nettl centred around enabling partners to sell more web and printing.com being a suite of software and marketing collateral to sell more print and this is proving attractive to potential partners.

Marqetspace, our trade print channel, has successfully completed a website upgrade and continues to attract new graphic professional clients and be a source of future Nettl and printing.com partners.

Discussions with potential international partners to exploit the Nettl formula in other territories are ongoing.

Overall, whilst we remain cautious about the outlook, particularly with the uncertainty about the economic backdrop following the EU referendum, we are seeing positive signs as we attract more trade partners with our new initiatives.

For further information:

Grafenia plc

Peter Gunning (Chief Executive)

07973 191 632

Alan Roberts (Finance Director)

0161 848 5713

N+1 Singer (Nominated Adviser)

Richard Lindley / James White

0207 496 3000

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