



SpaceandPeople PLC - SAL Trading Update and Closure of S&P+ Limited
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SpaceandPeople plc

("SpaceandPeople" or the "Group")

Trading Update and Closure of S&P+ Limited ("S&P+")

SpaceandPeople plc (AIM:SAL) announces the following trading update of the Group.

The Group's UK and German retail operations are performing in line with expectations. The UK has seen an increase in venues and we have a strong pipeline of UK venues with whom we are in varying stages of discussion. The reinvigorated retail offer "POP Retail" has seen excellent traction so far and we are again currently hitting our internal budgets for this product. In addition, the MPK (Mobile Promotions Kiosk) has achieved its 75th installation and is on track to achieve the budgeted 80-100 installed units in the UK by the end of the year.

The Group's core UK and German promotion businesses are also trading in line with expectations and the Board is pleased with revenues being generated under the new Network Rail and British Land contracts.

However, S&P+ which operates a venture in a niche sector distinct from SpaceandPeople's core businesses, has now been significantly curtailed and has insufficient prospects in both the short and medium term to allow it to trade profitably.

S&P+ had planned to book substantial business deals in June which they had been working on for some time. These deals have been both delayed and cancelled entirely by clients. This has resulted in considerable cash flow constraints for the S&P+ business and the Board of SpaceandPeople, which owns 51% of S&P+, does not consider it prudent to continue funding the venture beyond that already provided.

The closure of S&P+ will have an effect on the Group's consolidated results for 2016. The loan of £425,000 that SpaceandPeople has provided to S&P+ will be written off as will approximately £50,000 of intercompany debts resulting in a one-off loss of approximately £275,000. In addition to this, S&P+ had been expected to contribute £180,000 of profit before taxation ("PBT") to the consolidated SpaceandPeople group results for 2016 which will now be a loss of approximately £200,000 instead. This does not have a negative cash

impact on the Group and the core business will continue to be cash generative going forward. The Board of SpaceandPeople expects PBT of the Group from continuing operations after minority interests and excluding S&P+, in 2016 will be broadly comparable with prior year.

Matthew Bending, CEO of SpaceandPeople commented: "Obviously, we are very disappointed about this outcome and understand the impact this will have on the employees of S&P+, however, the core UK and German promotions and retail businesses are trading in line with our internal expectations and we are very happy with the development of the MPK programme, the rejuvenation of "POP Retail" and the strong pipeline of UK venues with whom we are in discussion about joining our service. We do not see the decision on closing S&P+ as having any negative effect on the core business."

Ends

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About SpaceandPeople plc:

SpaceandPeople facilitates and manages promotional space for marketing campaigns and retailing in shopping centres and other high footfall locations, such as theme parks and railway stations. SpaceandPeople is at the forefront of developing the concept of space as an advertising and promotional medium. It offers consumer brands the opportunity to promote their products through direct engagement with consumers through a mix of experiential marketing events and complementary above the line advertising and multimedia campaigns. SpaceandPeople offers a comprehensive service covering brokerage, consultancy and venue centric media buying. SpaceandPeople is independently funded and its shares are admitted to trading on AIM. The Company acquired Retail Profile, the RMU specialist, in May 2010 and operates in the UK, Germany, India and Russia.

www.spaceandpeople.com

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