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Xaar PLC
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Xaar plc

INTERIM MANAGEMENT STATEMENT

Xaar plc ("Xaar" or "the Group"), the inkjet printing technology group headquartered in Cambridge, is providing an Interim Management Statement covering trading from 1 January 2012.

Trading for the period was in line with the Board's expectations, with sales in the first three months up 20% compared to the first quarter of 2011. Product gross margins were, as expected, ahead of the first quarter of 2011, and were in line with the margins achieved in the second half of 2011.

Revenue growth over the first quarter of 2011 was achieved through sales of products servicing industrial markets, where demand continues to grow. Sales into other markets have performed in line with expectations.

Following the Chinese staffing changes, previously announced, the Group is successfully supporting Chinese customers from the UK, with sales for the year to date performing in line with expectations. Xaar's plan to establish a support base for Chinese customers in Hong Kong is on track and should be substantially complete by the middle of the year. Sales order processing and product distribution are now managed directly; previously these functions were fulfilled by an independent distribution company based in China.

The Group's balance sheet remains strong with net cash at 31 March 2012 of £14.6 million (31 December 2011: £17.4 million). As expected, the cash balance reduced during the period as a result of planned capital expenditure and working capital requirements. The Group expects to be cash generative for the full year 2012.

Ends

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