

Draft 1

Cheerful Scout Plc ('Cheerful' or 'the Company')
AGM Statement

Cheerful Scout Plc, the AIM-traded multi-media specialist, held its Annual General Meeting today and all resolutions were duly passed.

Stuart Appleton, Chairman of Cheerful, made the following statement:

“We continue to make significant progress in building Cheerful’s position as a niche non-broadcast based multi-media specialist services company, with a primary focus on delivering corporate communications solutions and DVD oriented design and technical services. However we have obviously seen considerable turbulence in financial markets, and Cheerful has felt the effects of this instability, primarily through the downturn in the demand for corporate events. For this reason, the Board initiated a streamlining strategy in order for us to minimise our risk and develop the areas of the business which have traditionally generated profit.

“We remain committed to investing in the best talent in the industry and believe that this remains one the key differentials between Cheerful and its competitors. This talent does not just lie in the creative, technical and visual areas but also a real passion for understanding business challenges, communication objectives and strategic context, and turning that understanding into appropriate and inspiring communications solutions.

“The Board is confident that the streamlining strategy that we implemented to concentrate on our two core divisions, coupled with our ability and determination, will continue to sufficiently protect Cheerful against the turbulence in the market, and leave us with a strong foundation to grow in the future.”

**** ENDS ****

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