

24 April 2007

**Cheerful Scout plc (“Cheerful” or “the Company”)
Update on Trading**

Cheerful Scout plc, the AIM-traded corporate creative consultants, announces an update on trading for the year ended 30 June 2007.

Targeting of higher margined projects in tandem with slower than expected trading in the second half caused by the delay in securing two material contracts, will result in lower total revenues than projected for the year ended 30 June 2007. There has also been an increase in fixed costs due to the recruitment of key personnel. Accordingly, total revenues for the year are now expected to be in the region of £1.9m (FY06: £2.17m) and lower pre-tax profits.

The Board will provide a further update on trading in due course.

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