

PRESS RELEASE

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TURBULENCE IN CITY FUELS HUGE SURGE IN OUTPLACEMENT

A downturn in the City spells disaster for most employment services companies, but outplacement and talent management company Savile Group is busier than ever as firms begin to make layoffs - and demand for their services increases. Although the recession is only now beginning to bite, Savile Group – which owns two career transition businesses, Fairplace and IDDAS - is already seeing sales rise. Today it announced revenues on continuing activities up by 37% to £6.95m (2007: £5.07m) and pre tax profits of £0.72m compared to a loss of £0.19m in the previous year. Outplacement sales increased by 11% to £4.0m (2007: £3.6m).

Further job losses are inevitable with some commentators forecasting 110,000¹ job losses in the UK's financial and business services alone by April 2009, of which many will be in London. It is unlikely that will be the end of things. The current turmoil in the financial system looks worse than the 2000-2001 downturn - when Enron, 9/11, and the bursting of the dotcom bubble drove stock markets down and led to an M&A drought in the City. At that time, one in six (16.4%) senior bankers, brokers and fund managers lost their jobs (10,000 in total)². Many more jobs were shed elsewhere in the industry. Overall, financial intermediation firms shed 148,000 jobs between 1999 and 2001. With 8% more senior bankers, brokers and fund managers working in the industry in 2007 than before the 2000/01 downturn, most of them in London, the fallout this time around is likely to be greater.

Jonathan Cohen, chairman of Savile Group, says: *"The last downturn was on a different scale to this one – in 2008 we have big names disappearing from the UK banking industry and the only two remaining major Wall Street investment banks are repositioning themselves as banks. As a result London's economy is changing*

¹ Report from Centre for Economic and Business Research Researchers and Hay Group

² Sourced from data on UK employment from National Statistics

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dramatically and the job market has been fundamentally transformed. Outplacement services enable the individuals who are impacted to reposition and relaunch their careers as quickly and effectively as possible, thereby minimising the misery normally associated with job loss. We have already seen an increase in demand, and expect to see much more as restructuring bites. We're also opening our doors to those individuals whose employers have gone bust and now need to buy our services directly."

Although there is more call than ever for outplacement services, the credit crunch has had no apparent adverse effect on Savile Group's talent management businesses. Savile Group provides board level talent management services through IDDAS and, up to Board level, through subsidiary Cedar Talent Management. Most of Savile Group's clients - some of whom are undertaking extensive restructuring - are nevertheless determined to continue to invest in their ongoing talent pool. Sales of talent management services increased by 100% to £3.0m (2007: £1.5m). Sales of talent management services increased to 43% of total sales (2007: 30%).

Jonathan Cohen said: *"One of the lessons the firms learned from the last downturn is that it's costly and difficult to replace the best human capital lost during times of distress. A lot of support staff will be cut because those are easier to replace when the business turns around. So firms aren't wielding axes, so much as scalpels and they're still trying to retain their best staff. We have seen some banks make deeper cuts so they can afford to pay their top performers their bonuses. Talent management helps banks protect their best staff assets in areas they want to focus on."*

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Notes to Editors

Savile Group plc – AIM listed (SAVG) (until December 2007 Fairplace plc)

Savile Group is a human capital services group, comprising a number of high quality, premium brands in human resources consulting, with a reputation for excellent client service. The Group provides a wide range of coaching, mentoring, career and talent management support at all levels of seniority across an extensive range of industries and professions, with demonstrable evidence of helping clients to improve the performance of their businesses through their people.

Savile Group has three brands: CEDAR Talent Management, Fairplace, and IDDAS.

- CEDAR Talent Management offers extensive expertise in coaching, leadership assessment and development.
- Fairplace has an enviable reputation for high quality career transition and career management.
- IDDAS provides a range of board level career and business mentoring, coaching and talent management services, including leadership development.