

Date: 20 June 2014
On behalf of: Cupid plc ('Cupid', or the 'Company')
Embargoed until: 7.00am

Cupid plc

AGM Statement

At today's Annual General Meeting of Cupid plc (AIM: CUP), the online dating operator, George Elliott, the Chairman of the Board and Phil Gripton, CEO, will give shareholders an update and review of the business which will include the following statement:

"The Board is pleased to report that the Company has made significant progress in the first half of 2014 towards achieving the operational goals stated in its Annual Report. The EBITDA loss is estimated to be c £3m, which is better than anticipated. We further estimate that revenue for the first half will be c £7m, slightly lower than management's expectations. The stronger EBITDA result has been achieved through the close management of costs, which in turn will enable us to end the half with c £11m of cash (pre-dividend).

The dating market continues to report growth and our strategy of focussing on niches remains a strong option. There is however increasing pressure from the advance of a new breed of more intuitive, mobile, social dating applications. We continue to develop our core offering and will address this development in our on-going strategy. As planned we have started to invest in our data adtech proposition and will continue with that as our plans progress to initial revenues in H2.

We laid out a number of milestones to be achieved during the first half of 2014 as part of transforming our core dating business into a sustainable, high-quality, customer-centric offering whilst driving the complementary business detailed in the Company's final results which were announced on 2 April 2014. I am pleased to report that we have made strong progress in all areas. Since the year-end, successes have included:

- *Q2 has seen a number of key launches for Cupid with new or updated versions of Cupid.com, Uniformdating.com and the brand new brand Lovebeginsat.com.*
 - ***Cupid.com** was redesigned and re-launched. The new site launch was then followed up with the 'set love free' campaign, which has been successful in driving active users to the brand. In May, over 12,000 new active users signed up to Cupid.com in the UK, and in the USA, over 20,000 new active users signed up in 30 days post its launch.*
 - ***Lovebeginsat.com** ('LBA') was launched in Q2 with full commercial marketing in May for the UK and in June for the USA. This site, aimed at the mature demographic, is a new and exciting growth opportunity for us. With 50% of the population now over 45 and smartphone and tablet use more than doubling in this segment, the mature market has great potential. The brand appeals to the selective mature dater looking for a serious relationship. LBA has been promoted via UK Regional TV ads on ITV and C4, which in turn has been supported by specific PR in press, radio and TV.*
 - ***Uniformdating.com** launched in Australia with a promotional campaign planned for Q3. We believe the Australian market is exciting for Uniformdating because there are more uniforms per capita than the UK in this market.*
- *The period has seen further success in developing the user experience whilst continuing to harness market share in the growing global dating marketplace:*
 - *The marketing team has continued to optimise the Company's sites, improving overall levels of effectiveness and, other than specific tactical campaigns, successfully reducing cost per acquisition whilst targeting the best possible traffic for conversion and longevity on the sites.*

- *Further improvements have been made to the user experience across the portfolio, including a redesign of the joining process, utilising industry standard techniques and tools.*
- *The work on the development of the new “mobile first” platform is progressing well and will be launched with Uniformdating for the USA in Q3.*
- *Cupid is delighted to have been formally approved and to have now joined the Online Dating Association (ODA), an industry body set up in 2013 to ensure high standards of behaviour by dating service providers serving UK users. Based on a strict Code of Practice, this milestone is significant as further independent recognition of the high quality of our much improved, customer-focused approach.*

Our strategy remains to redevelop a strong and sustainable core dating offering, whilst using our unique position to build Cupid into a leading digital services company. As part of this strategic vision, our data adtech proposition has also made good progress in Q2 with an initial proof of concept currently being built and tested. The proof of concept is due to be completed in Q3. Key partners are in place and working to ensure the data management platform is successfully implemented, allowing us to take the first steps into the dynamic programmatic media market, a market which is predicted to grow to \$78bn by 2017 as it attracts ever greater digital advertising budgets

In summary, the Board would like to thank the Company’s shareholders for their continued support. The past twelve months have been challenging but we believe that Cupid has a bright future in building a digital services business based on robust core dating assets and unique first party data. Much work has been carried out in the past six months to drive a successful turnaround of the core dating business, and the Board is confident that it is making significant steps towards our long-term vision.”

For further information please contact:

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Notes to Editors

Cupid plc offers a wide variety of online dating services allowing members to interact with each other and access the content available on the Group's websites. These websites are intended to appeal to dating users of diverse ages, cultures and social interest groups. The Group's most heavily visited websites include www.cupid.com, www.uniformdating.com and www.girlsdateforfree.com. The Group also promotes niche brands such as www.lovebeginsat.com, www.datingforparents.com, and www.maturedatinguk.com. Further information on the Company can be found at www.cupidplc.com.