



PRESS RELEASE

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SHOP DIRECT GROUP ANNOUNCES STRONG SALES GROWTH IN TOUGH CONSUMER ENVIRONMENT

Shop Direct Group, formerly Littlewoods Shop Direct Group, announces results for the financial year ended 30 April 2008.

Financial highlights

- Group sales up 2.6% to £1.78bn (0.5% excluding 53rd week)
- EBITDA up 130% to £60.9m (06/07 £26.5m)
- Online sales up 31%, accounting for 38% of sales (06/07 29% of sales)
- Well on track to meet 70% online sales target by financial year 2010/11
- Current trading up 2.2%, with online sales growing at 30%, now well over 40% of total mix (for the 26 weeks to end of October 2008)

Operating Highlights

- Completion of integration programme of Littlewoods and GUS Home Shopping
- Group name changed in May to Shop Direct Group (formerly Littlewoods Shop Direct Group)

Shop Direct Group, the UK's leading online and home shopping retailer, today announced annual sales growth of 2.6% for the 2007/2008 financial period, the first sales growth achieved in over a decade.

Commenting on the results, Chief Executive Mark Newton-Jones said:

“We are three years into our five year transformation programme and are pleased with progress to date, whilst recognising there is still much to do. We are particularly encouraged that, even in this challenging trading environment, we have seen sales growth. As the economic climate gets tougher, we are well placed with strong online growth and a broad spectrum of products creating a one stop shop for our customers.”

The focus on enhanced website functionality, presentation and a stronger trading led approach has helped grow site visits by 51% and the online retail sales by 31% in the year. This takes the online sales mix to 38% of retail sales in the year compared to 29% for 2006/07. This trend continued to improve with the online sales mix since the start of the new financial year at 44% and the Group is on track to realise more than 70% of sales online by 2010/11.

Over the past year, the Group has benefited significantly from continued investment in product quality, presentation and online development. Additionally, the Group has made a £20 million investment in TV and print advertising and a stronger focus on customer service. The alignment of the seasons to those on the high street has enabled the Group to compete more effectively online by offering seasonally relevant product as well as the latest prices and technology.

Financial Services has performed well in the difficult economic climate, with lower bad debt and tighter cost control than in the prior year.

During the year, Shop Direct completed one of the largest retail integration programmes in Europe, merging GUS Home Shopping into Littlewoods Home Shopping. This included the migration of 12 million customer records on to one IT platform to create a single database, whilst streamlining warehouse, stock operating and contact centre call handling systems. The business is now well positioned for future growth.

- Ends -

Media enquires:

Shop Direct	Anthony Taylor	0844 292 3269
Brunswick	Anna Jones/Charlotte Kenyon	020 7404 5959

Notes to Editors:

- Shop Direct Group, formerly Littlewoods Shop Direct Group, is the UK's leading online and home shopping retailer
- One in three households in the UK have one or more of the Shop Direct Group's books (Autumn/Winter and Spring Summer books).
- Shop Direct Group sells leading national brands including Littlewoods, Miss Sixty, Diesel, Nike, Sony, Love Label, Marshall Ward and Additions
- Shop online at www.littlewoods.com or www.littlewoodsdirect.com