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MEDIA RELEASE

Online growth continues to deliver strong Christmas sales for Shop Direct

Shop Direct Group, the UK's leading online and home shopping retailer, today announced a solid sales performance for the six-week Christmas period, up to 1st January 2010.

Highlights

- Total sales for the period were up 6.3% against last year.
- Margin growth is significantly ahead of sales growth due to less clearance activity and stronger supplier support.
- Online sales during the period were up by 19% against last year, which accounted for 65% of all sales. (08/09 56%)
- Well on track to achieve online sales target of 70% by financial year 2010/11.
- The Group websites attracted one million customers per day during this period which places us in the top four online retailers. (Source Hitwise.)
- Significant growth of over 30% on electricals, driven by iPods, laptops and games consoles and in fashion, party wear sales have been a success with more than five dresses a minute being sold during the holiday season, including our best-selling Holly Willoughby sequin dress.
- All brands enjoyed a successful Christmas following a comprehensive multimedia campaign; Very.co.uk achieved an increase in customer traffic of 31% and sales growth of 26%.
- In total, Shop Direct delivered almost eight million items over the six-week Christmas period.

The Group has continued to see a rise in customer demand for online transactions throughout the year and this is reflected in today's Christmas trading update. 65% of sales were generated online during these six weeks and we had a number of days where 85% of sales were taken online.

The number of customers shopping online on Christmas Day delivered a 100% increase in demand.

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

"This Christmas, we have seen yet another strong trading performance across all of our brands. This is particularly pleasing as it follows on from last year, when we had an extremely successful Christmas where we recorded 9% growth for the same six-week period.

"We found that last year customers concentrated their shopping into two weeks but this year, we have seen four equally large trading weeks; the last two weeks of November and the first two weeks of December. We believe that the ease of shopping online allows customers to manage their shopping time more effectively, planning earlier and shopping later.

"2009 has been a year of significant change and innovation for Shop Direct. We have added new brands to our portfolio, as well as having increased our product ranges. Although 2010 will continue to be challenging in the retail sector, we are confident that the customer-led changes we have made will propel the business forward to help us achieve our objective of 70% of sales online."

- ENDS -

For enquiries please call Ann Bryon/ Gill Hart/Cara Newton at Shop Direct Group, 0844 292 4799 or Charlotte Kenyon/Teresa Bianchi at Brunswick on 020 7396 7457.

Notes to editors:

- Shop Direct Group is the UK's largest online and home shopping retailer with sales of circa £1.7 billion
- The Group has 5 million active customers across the business
- Shop Direct employs around 9,000 people
- Brands include Littlewoods, very.co.uk, Woolworths.co.uk, Littlewoods Ireland, Littlewoods Europe, Additions, Great Universal, Choice, Kays, Empire Stores and Marshall Ward
- We are the 2nd largest online clothing retailer in the UK
- We are the 3rd largest furniture retailer in the UK
- We are the 4th largest sportswear retailer in the UK
- We are the 5th largest electrical retailer in the UK
- Shop online at www.littlewoods.com, www.very.co.uk or www.woolworths.co.uk
- Shop Direct Group Financial Services offers customers a wide range of credit, insurance and warranty products