



Wednesday 21st July 2010

MEDIA RELEASE

Shop Direct delivers strong earnings growth

Shop Direct Group, the UK's leading online and home shopping retailer, today announced substantial earnings growth for the year ended 30th April 2010. The Group has now completed a period of significant restructuring, successfully transforming itself from a catalogue to an online retailer.

Financial Highlights:

- Turnover of £1.7bn with year on year sales flat on the Group's continuing activities
- EBITDA up 38% to £132m from £96m in 08/09
- Pre tax loss of £21m versus £114m loss in 08/09
- Earnings growth underpinned by greater operational efficiency, reduced cost base and lower bad debts
- Resilient retail trading driven by successful launch of new retail brands and the continued expansion of the portfolio of fashion brands
- Online sales growth of 19% in the year; since the year end, online sales have continued to increase and now represent circa 70% of all units sold.

Operational Highlights:

- The Group continues to invest in website functionality, as well as focusing on product design, quality and range breadth
- Innovation in service with 'Click & Collect' available through 3,500 UK retail outlets
- Developed successful new and growing home working programme employing, at peak, over 600 people across the UK
- Successfully launched new retail brands; Very.co.uk, Woolworths.co.uk and Littlewoods Europe and the continued expansion of the portfolio of fashion brands including amongst others Superdry and Ladybird.

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

"This is a strong performance given the challenging economic conditions that have prevailed throughout the year. Today the Group is a multi-brand, multi-channel business selling a huge range of products that cater for all customers across many demographic groups in every postcode.

"In the year ahead Shop Direct Group expects to deliver profit growth through continued improvements to our product ranges supported by further operational efficiencies. We are investing in a multi-million pound advertising campaign to further increase awareness of our retail brands.

"In the current environment we naturally remain cautious on outlook but feel we are uniquely positioned for future growth."

- ENDS -

For enquiries please call Ann Bryon/ Gill Hart/ Cara Newton at Shop Direct Group, 0844 292 4799 or Charlotte Kenyon / Alison Poole/ Teresa Bianchi at Brunswick on 020 7404 5959.

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
- Shop Direct employs around 9,500 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 largest full price branded clothing and footwear retailer in the UK
- We are the 2nd largest online clothing retailer in the UK
- We are the 4th 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
- For more information on our home working programme please visit www.arise.com