



Tuesday 22nd September 2009

SHOP DIRECT GROUP REPORTS STRONG SALES PERFORMANCE

Shop Direct Group announces results for the financial year ended 30 April 2009.

Financial highlights:

- Group sales up 7.4% to £1.7bn on a comparable 52 week basis
- EBITDA up 182% to £96m (07/08 £34m adjusted)*
- Online sales up 31%, accounting for 49% of total Group sales (07/08 38% of sales)
- On track to meet 70% online sales target by the end of financial year 2010/11
- Trading over the past 20 weeks of the financial year is up 1% against the same period last year. In this period, online sales have grown by 29% and now represent 56% of total sales.
- We are taking a cautious view of consumer debt in the year ahead and will be managing the business accordingly.

**Last year's (07/08) EBITDA of £61m included both Home Delivery Network and CDMS Limited. The results this year (08/09) do not include these two companies as they now sit outside of the Group as a result of the restructure in May 2008. An adjustment has been made to restate last year's EBITDA for comparison.*

Mark Newton-Jones, Chief Executive of Shop Direct Group, commented:

"We are pleased with the progress we have made in the past year particularly in light of the current economic climate.

"We have continued to make great strides in the restructuring of our business, responding to our customers' needs as more of them choose to shop online. This approach has delivered significant growth for the Group.

"In addition, since the start of the new financial year in May, we have been busy re-invigorating the Littlewoods brand at home, whilst also taking it into Europe through France, Spain, Portugal and Germany, as well as launching our fashion brand VERY.co.uk and bringing the Woolworths and Ladybird businesses online.

"We have continued to show growth in our online performance since May but are mindful of the tough economic climate we are facing and as such we remain cautious about the outlook for the remainder of 2009 and 2010."

The trading performance of the Group reflects the continued focus on modernising the business with further investment in enhanced website functionality and presentation coupled with a more responsive led approach to fashion, technology and pricing.

This has led to an online retail sales growth of 31% in the year taking the online sales mix to 49% of retail sales in the year, compared to 38% for 2008. This trend has continued to improve with the online sales mix in the first quarter of the new financial year exceeding 56% of total sales.

Improvements have also been made in customer service and stock availability throughout the year. Last Christmas our customers were able to order as late as 4pm on December 23rd for next day delivery. This year we will extend that deadline to 8pm on the 23rd.

The Group has seen strong improvements in the awareness and sales of its brands due to an £18m investment in national multi-channel advertising using TV, Press and online mediums. The Group will continue to invest in multi-channel advertising during 2010.

-ENDS-

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 5m active customers across the business
- Shop Direct employs around 10,500 people
- 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 and electrical retailer in the UK
- Brands include Littlewoods, VERY.co.uk, Woolworths, Ladybird, Additions, Great Universal, Choice, Kays, Empire Stores and Marshall Ward
- 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

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