



PRESS RELEASE

28th January 2010

Shop Direct Group Statement

Following a successful peak trading period where total sales grew by 6% and online sales by 19%, Shop Direct Group now looks set to exceed its target of 70% of its sales online by 2010/11. More of its customers are choosing to shop its brands through the web and today it has announced proposals to change its operational structure to reflect this change in customer behaviour.

With more customers shopping online than ever before and peaking at 85% during the recent Christmas period, Shop Direct Group is now faced with excess capacity and more space in its contact centres than it needs to handle the declining call volumes.

Less than four years ago, 33 million calls were taken through its contact centres compared to only 19 million today. Customers are becoming increasingly self-sufficient choosing to transact through the web and manage their accounts online.

Following a review of this changing shopping behaviour and the impact on its operations, Shop Direct Group is proposing to close its Sunderland, Newtown and Burnley contact centres with the possible loss of 1500 jobs. However, it is proposing to bring up to 350 new roles into the remaining sites by introducing flexible shift patterns to accommodate customers' changing shopping behaviour.

A 90-day consultation period will begin with the individuals affected by these proposals and their union representatives.

Mark Newton-Jones, Chief Executive, said: "We recognise that this is a very difficult time for those teams affected by the proposed contact centre closures. We are working closely with the Trade Unions to help staff through the consultation process and support them in finding future employment.

"Over the past five years, the proportion of our online sales has grown from 18% to account for over 60% of our business today resulting in excess capacity and space in our contact centres. We are a strong and growing business and we need to adapt to reflect the way our customers choose to shop with us."

ENDS





PRESS RELEASE

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

- Shop Direct Group is the UK's largest online and home shopping retailer with sales of circa £1.7 billion and 5 million active customers across the business
- Shop Direct employs 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

