

16 January 2013

N Brown Group

INTERIM MANAGEMENT STATEMENT & TRADING UPDATE

N Brown Group plc, the online, catalogue and stores retailer, today announces a trading update for the 19 weeks ended 12 January 2013.

Total group revenue has increased by 8.5%. Like-for-like revenue, which excludes sales from stores opened in the last 12 months, was up by 7.9%. Online sales have continued their strong momentum and were up by 17%, now accounting for almost 54% of the total revenue.

The mix of sales has continued to broadly follow the pattern of the first half, with the strongest sales performance coming from the brands targeted at the under-fifty customers, and the home and gift ranges. Sales of menswear and footwear have done well, as have the full margin sales of ladieswear, although lower stock levels meant there was a reduction in discounted sales in this category. The rate of gross margin was in line with our expectations.

The increase in total revenue has benefitted from higher levels of new customer recruitment, with an investment of £2m above the original budget. Sales from these customers are at a lower margin, due to introductory discounts and the expected higher levels of bad debt, but they will help to drive the business forward in the next financial year. We have also invested heavily in capital and revenue expenditure during the year to drive the sales growth and strategic initiatives outside the core UK home shopping business. We are delivering strong growth in the USA and there are promising signs from the combination of Simply Be and Jacamo in the concept stores. A detailed review and evaluation of the shopping channel is scheduled for March 2013.

Taking these extra investments into account, the results for the year to 2 March 2013 are expected to be broadly in line with the board's expectations. The financial position of the group remains strong and has not materially changed since the interim results.

The current year has seen momentum building in the rate of revenue growth through improved product ranges, keener pricing, online trading and customer recruitment. We expect these features to continue to drive the business forward next year, enhanced by developing overseas markets and the stores channel.

Alan White, Chief Executive, commented:

"It has been pleasing to see our investments in improved online systems, more customer recruitment and revamped product ranges and pricing continuing to drive a strong sales momentum, despite the lacklustre retail environment."

For further information please contact:

N Brown Group plc
Alan White, Chief Executive
Dean Moore, Finance Director

Tel: 0161 238 2202

Website:

www.nbrown.co.uk

Kreab Gavin Anderson
Clotilde Gros / Madeleine Palmstierna

Tel: 020 7074 1800