

10 December 2014

N Brown Group Plc

Where Fashion Fits

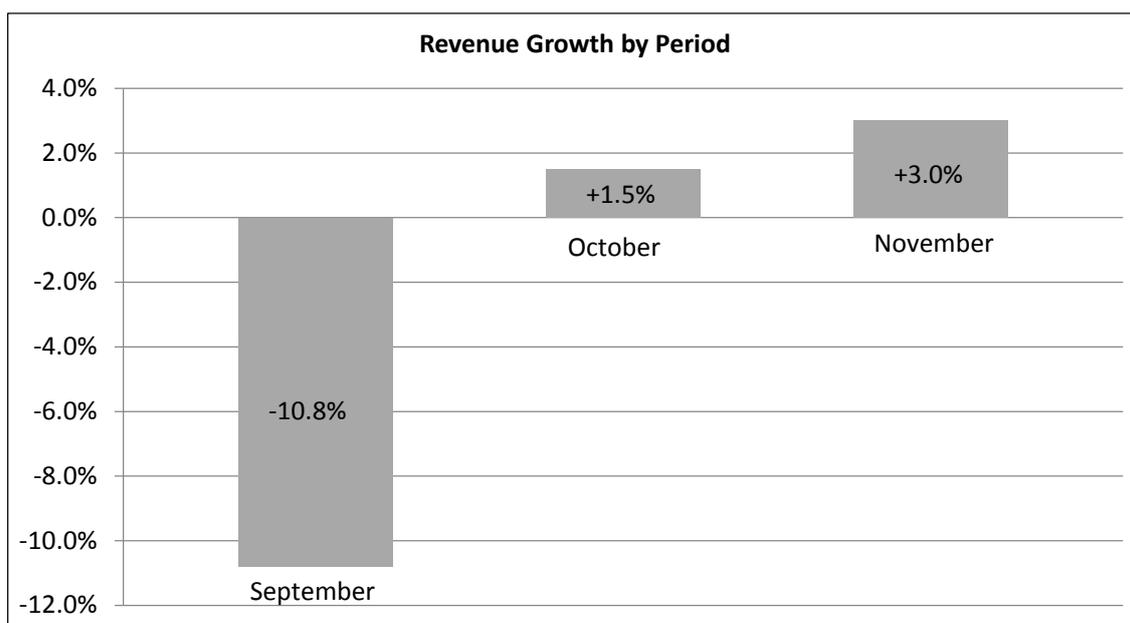
Interim Management Statement for the 13 weeks to 29 November 2014

N Brown Group Plc, the online, catalogue and stores retailer today announces a trading update for the 13 weeks to 29 November 2014.

At the announcement of our interim results on 9 October 2014, we advised that we had been adversely affected by unseasonably mild temperatures in September and early October which resulted in a weak start to the second half and a revision to our expectations for the year.

We are pleased to report that trading performance has improved since September as the changes we are implementing within the business take effect, with the group reporting revenue growth in both October and November.

The graph below shows revenue for the period. We show that impact of the mild weather in September resulted in a turnover decline of -10.8%. We returned to growth in October with an increase of +1.5%, which continued in November with growth of +3.0%. Overall, turnover for the third quarter declined by -2.3% with year to date down -1.2%.



	Third Quarter	Year to Date
Turnover	-2.3%	-1.2%

We have continued with our programme of changes to move the business further away from the traditional mail order model towards our objective of being a multi-channel, fashion led retailer.

At the end of the quarter our active customer file, being those customers who have ordered in the previous twelve months, has grown by 2% year on year.

Following the re-launch of the JD Williams brand we experienced a 30% increase in new customers recruited to the brand in the quarter versus this period last year.

During the quarter we have also delivered more improvements to our online platform to enhance the customer experience. We have continued to see growth in our online business with online sales penetration now at 60% of total sales.

We opened our Simply Be and Jacamo Oxford Street store in September followed by further store openings in Merry Hill, Norwich and Edinburgh during October and November. During this quarter our Simply Be and Jacamo stores have posted overall sales growth of 78%.

We are delivering steady growth in the USA with product demand up 10% for the quarter. Recruitment investment has been contained whilst we develop and drive the benefits of introducing a credit & loyalty scheme to underpin future profitability. Since we introduced the scheme in late July, 20% of demand is now coming from account holders and second order rates across the customer file are up 36% since the launch.

Gross margin for the quarter is in line with our expectations driven by a focus on providing competitive value for our customers. We expect the trading environment to remain extremely competitive from here to our year end and therefore, despite progress made during the quarter our guidance for the year remains unchanged.

Angela Spindler, Chief Executive commented:

“We are pleased with the strength in our customer activity levels and sales during November. We have seen an excellent response from both existing and new customers to planned higher profile brand activity on our JD Williams, Simply Be and Jacamo power brands.

We are continuing with our strategic plan to simplify and modernise the business. We have a clearly differentiated proposition and the longer range market projections for online growth and changing demographics are in our favour. These underpin confidence in our mission “to be the leading global retailer famous for making shopping for fashion easy and enjoyable regardless of size.”

-Ends-

For further information:

N Brown Group plc

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