

Tuesday 5 July 2011

# N Brown Group plc

## INTERIM MANAGEMENT AND AGM TRADING STATEMENT

At the Annual General Meeting being held today at 12.30 pm Lord Alliance of Manchester CBE, Chairman, will make the following statement on current trading.

In the 18 weeks ended 2 July 2011 total group revenue increased by 5.1%. On a like-for-like basis revenue growth was up 1.6%, adjusting for the sales of Figleaves which we acquired in June 2010, slightly ahead of the rate reported with our annual results on 10 May, despite the ongoing decline in consumers' disposable income. As we anticipated, and in line with the sector, we are having to be more aggressive with targeted promotional discounts to help drive revenue and this has led to a 0.2% decline in the rate of gross margin.

The pattern of demand is consistent with last year as menswear and footwear are growing strongly and ladieswear is slightly down. Within ladieswear we continue to do well with our unique products at the higher price points relative to the core ranges where the inflationary price increases are subduing demand. In our brand portfolio Jacamo, Marisota, and Simply Be continue to perform strongly.

Progress is going well on all of our development projects. Figleaves and High & Mighty are both delivering improved financial results. International sales for Simply Be in Germany and the USA are rising in line with expectations and we have secured two retail sites in North West England to trial the multi-channel home shopping retail concept, utilising the latest technology, which we expect to open by early October 2011.

Our core strategy is to target niche customers and products, increasingly through online marketing activities. Online sales now account for 47% of the total, up from 41% last year. The provision of credit facilities to our customers is undoubtedly a benefit in these tough economic conditions, and default rates are in line with our expectations. This combination, together with our development program, the flexibility of our business model, and the continuing strong financial position of the group gives the board confidence in the future outlook for the group.

Ends

### ENQUIRIES:

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