

11 January 2012

N Brown Group plc

INTERIM MANAGEMENT STATEMENT & TRADING UPDATE

N Brown Group plc, the internet and catalogue home shopping retailer, today announces a trading update for the 19 weeks ended 7 January 2012.

Total group revenue has increased by 2.3%. Like for like revenue, excluding sales from new stores, was up by 2.0%. Trading was flat in October and November but picked up in December. The sales profile in the second half has been similar to that achieved in the first half but with some improvement in ladieswear and our midlife titles. Online sales are up by 9% and are now close to the symbolic 50% share of total sales. Additional promotional activity in the second half to drive sales growth will reduce the rate of gross margin for the financial year as a whole, which is expected to be almost one percentage point below last year's level.

The two Simply Be concept stores have been well received and have attracted predominantly new customers thereby expanding the brand's reach in plus size fashion, and we have committed to five more stores in 2012. International sales have met expectations in the USA. In Germany we pulled back some of the recruitment activity as we focus on reducing the returns rate, which is showing some early signs of success.

The financial position of the group remains strong and has not materially changed since the interim results.

The board believes we can deliver performance in line with our expectations for the year ending 3 March 2012, subject to a reasonable reaction from our customers to the new spring catalogues which are being despatched in January and February.

Looking further into 2012 we do not expect life to be easy for our customers but the expected reduction in the rate of inflation, especially for clothing and footwear, should help to prevent the financial pressure on them rising further. We will continue to drive for growth in our core UK home shopping business, particularly through the online channel, as well as focusing on our strategic opportunities in multi-channel stores and international markets.

ENDS

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