

**24 May 2007**

## **Alexon Group plc**

### **Interim Management Statement**

At today's AGM, Alexon Group will make the following statement:

Trading performance has changed little since the Preliminary Announcement on 2 April 2007. Group like-for-like sales in the 16 weeks to 20 May 2007 are level with the prior year, on stronger gross margins. Sales have however shown some softening in the past two weeks – we believe this to be weather related.

Bay Trading continues to trade well, with sales and margins well ahead of last year. The shop opening programme is proceeding well and 15 new shops have already been agreed for opening during the course of the current financial year.

The action taken to improve range acceptability within Alexon Brands is beginning to take effect but the full benefits will not be seen until the second half. Reaction to the latest deliveries of merchandise across all brands is encouraging.

Menswear sales and margins are continuing to show improvement. This reflects work done to make the own-brand ranges more commercial, and to strengthen the branded offer within Envy, which is regaining credibility as a branded fashion retailer. The Board have concluded that it is an opportune time to review the options for the menswear business and Hawkpoint Partners have been appointed to undertake this review.

The interim results for the 26 weeks to 28 July 2007 will be announced on Monday 24 September 2007.