

14 January 2010

Alexon Group plc
January Trading Statement

Alexon Group plc, the womenswear clothing retailer, today announces its regular trading update covering the period ended 9 January 2010.

Since our last trading update, on 21 November 2009, the first three weeks of the period continued on an encouraging upward trend, with like-for-like sales of minus 6.2% during that period. Since then, like-for-like sales, consistent with Alexon's historic experience, have been significantly impacted by the extreme weather conditions, resulting in overall like-for-like sales for the twenty three weeks ended 9 January 2010 showing a decline of 14.3% on the prior year.

We have continued our policy of minimizing excess stock ahead of the new season and this, along with increased promotional activity in the host department stores and the recent trading conditions will result in gross margin for the half being 0.8% points lower than last year. Accordingly, we now expect the results for the year ended 30 January 2010 to be below market expectations. Net borrowings remain satisfactorily within the group's current facilities.

Looking forward, the initial reaction to the early phases of spring/summer merchandise has been positive. Full price strike rates across all the brands continue to improve season on season. We have also been encouraged by the very strong performance of our growing e-commerce business over the period through both our own online platforms and through partner websites. We believe the 2010 economic outlook will remain challenging but we are actively pursuing a number of initiatives, including addressing our onerous property leases, in order to accelerate the group's turnaround plan.

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