

24 November 2008

Alexon Group plc
Interim Management Statement

In accordance with standard practice, Alexon Group plc today announces its interim management statement for the period to 22nd November 2008.

At the time of our interim results, we reported like-for-like sales down 6% in the eight weeks to 20th September 2008, with gross margins level with last year. However, trading during October and November has become increasingly challenging across the retail sector and in common with many other retailers we have seen a deterioration in sales performance to a level slightly below our expectations.

Like-for-like sales in the seventeen weeks ended 22nd November 2008 show a decline of 11% on the prior year. A strategy of minimising excess stock ahead of the Spring season, particularly in the Ann Harvey and the Bay Trading ranges together with increased promotional activity within department stores, meant that gross margins during the seventeen week period were 1% lower. Stock levels across the group are currently lower than last year and we expect to end the year with terminal stocks well under control.

The outcome for the full year is still dependent on the Christmas trading period. The general outlook for the consumer environment in 2009 is widely expected to be very challenging, however we are confident that the strategy we are implementing will strengthen the business going forward. We have strengthened the management team who are focused on achieving brand clarity, and delivering improved product value through enhanced supply chain management all of which will better position the Group for the future.

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