

27th January 2011

Alexon Group plc
January Trading Statement

Alexon Group plc, the womenswear clothing retailer, today announces a trading update for the five week period to 22 January 2011 and the 25 week period to 22 January 2011.

Like-for-like sales were up an encouraging +13.3% during the five week period as trading recovered well following the extreme weather conditions in December 2010. During this period early spring ranges have performed positively. Cumulative like-for-like sales were -1.1% for the 25 week period (compared with -4.7% for the 20 weeks to 18 December 2010).

Sales performance in December left the Group with excess Autumn/Winter stock leading into January. This issue has been efficiently managed and the stock cleared. As a result of the action taken, our Autumn/Winter margin gain stands at +2.1% against the prior year (down from +2.8% reported on 25 November 2010), with total margin for the second half remaining broadly flat. We continue to develop our multi-channel capabilities, which will help to offset the impact of severe weather on the Group going forward. Margins for Spring/Summer 2011 are currently trading ahead of last year and we expect this trend to continue.

The Group expects to deliver profit before tax of between £0.7m and £1.0m for the year ending 29 January 2011.

The Group is pleased to report that the technical EBITDAR covenant infringement outlined in the announcement on 21 December 2010 has been resolved, with the agreement of the bank to reset the relevant test at the year end. Net borrowings as at the year end are expected to be approximately £9.2m and well within the Group's current facilities.

Looking ahead, we are encouraged by both the positive initial reaction to our Spring/Summer 2011 ranges and by the strong performance of our e-commerce

business via our own platforms and through partner websites. Our strategic investment initiatives continue to progress well.

Whilst the 2011 economic outlook will remain challenging, we are confident that we are well placed in our recovery to continue to make good progress in the year ahead.

For further information, please contact:

Alexon Group Plc

Jane McNally, Chief Executive
John Boyle, Finance Director

01582 723131

Brunswick

Simon Sporborg/Zoe Bird

020 7404 5959