

Alexon Group plc
Trading Update

21 December 2010

Alexon Group plc (“Alexon” or the “Group”), the womenswear clothing retailer, today announces that the recent extreme weather conditions in the UK is impacting sales performance during an important trading period for the Group.

Like-for-like sales for the three weeks from 23 November 2010 to 18 December 2010 are down 19.9% bringing the year to date like-for-like sales decline to 4.7%. The Board expects this to impact profit expectations for the year ending 29 January 2011 by up to £1.5m. The Group has informed the Bank of the current trading situation. Whilst net borrowings remain comfortably within the Group’s current facilities, the Group has commenced a dialogue in respect of one possible consequential technical EBITDAR covenant infringement. The Bank’s response has been constructive and supportive.

The Group’s customer base for its largest brands is predominantly an older demographic and as such, severe weather such as the recent snow and freezing temperatures has a disproportionate effect on sales. Furthermore, given our regional distribution model and the particularly severe weather in certain parts of the UK, a number of stores have been forced to close for several days. In each of the last three weeks, between 40 and 60 of the Group’s outlets have been closed.

Whilst the impact of the severe weather is disappointing, the Group continues to make good progress with the strategic initiatives, including store refurbishments, the streamlining of its logistics function and the replacement of its legacy systems. In particular, the Group is successfully building its multi-channel capabilities, through further developing its online and mail order partnerships. Looking ahead, this strategy will help mitigate the impact poor weather conditions has on our business. Online trading during the period, for example, has hit record highs for us up 129% for the three weeks to 19 December 2010. Accordingly we remain confident in the medium and long term prospects for the business.

-- ENDS--

For further information, please contact:

Alexon Group Plc 01582 723131

Jane McNally, Chief Executive

John Boyle, Finance Director

Brunswick Group 020 7404 5959

Simon Sporborg

Zoe Bird