

For Immediate Release

6 December 2007

Alexon Group plc

Trading Update

At the time of our interim results announcement we reported like-for-like sales down 5% in the seven weeks ended 8 September 2007, with gross margins ahead of last year.

This pattern of trade continued during October but we have, in common with many of our competitors, seen a deterioration in sales performance in the last five weeks. Like-for-like sales in the eighteen weeks ended 1st December 2007 are 7% down on the prior year, although gross margins are 1.7% higher than last year during that period.

Stock levels across the group are currently lower than last year and we expect to end the year with terminal stocks well under control.

Whilst the outcome for the full year is still dependent on the critical Christmas trading period, it is unlikely that full year pre-tax profits will reach the current market consensus. Assuming trading conditions continue to be difficult, we anticipate that pre-tax profits will be in the range £11.5 million to £12.5 million.

Whilst next year is likely to prove equally challenging we are confident that the measures taken in the last 12 months to strengthen our portfolio of brands will stand us in good stead for the future.

For further information, please contact:

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