

For Immediate Release

31 July 2006

Alexon Group plc
Trading Update

Alexon Group plc announces that trading has remained challenging since its AGM statement at the end of May, with like-for-like sales down 6.9% for the 26 weeks to 29 July 2006.

Menswear and Dolcis have continued to suffer from weak ranges and a difficult trading environment – in both cases the buying teams have been strengthened and much work has been done to broaden the appeal of the product offer for the Autumn season. We therefore expect an improvement for both divisions in the second half compared to the prior year. Whilst Bay Trading in common with other young fashion brands has suffered from the lack of ‘must have’ trends in the first half the business is, we believe, in good shape going forward, and we are continuing our shop opening programme. The concession brands within Alexon brands have in general had a slow but steady first half. Trading at Mandolin, our new fashion brand, is not expected to improve until the planned re-launch in Autumn 2006.

Despite the shortfall in sales across the Group, stock levels have been tightly controlled and we have ended the half with stocks in line with last year.

Interim results for the 26 weeks to 29 July 2006 will be announced on Monday 2 October 2006.

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