

# **Alexon Group plc**

## **Trading update – January 2006**

Alexon Group plc announces that like-for-like sales for the 23 weeks ended 7th January 2006 were 2.1% down on the previous year.

There was a mixed performance across the Group's divisions. Bay Trading continued its recovery achieving strong margin and sales growth. Alexon Brands was satisfactory overall although the launch of the new Mandolin brand has proved disappointing. Dolcis and Menswear both underperformed in the key Christmas period, resulting from a weak product offer and a difficult trading environment.

Whilst the anticipated gross margin for the year will be level with last year, stock levels are slightly higher than plan and appropriate action is being taken. We anticipate that operating profit before interest for the year ending 28th January 2006 will be between £19.5m and £20.5m. This compares with £31.6m in the prior year (before exceptional costs of £2.2m), and is within the range of current market forecasts.

The preliminary results for the year ending 28th January 2006 will be announced on 27th March 2006.