Debenhams Plc
Preliminary Results
2006/07
Chris Woodhouse
Finance Director
Results Highlights

Gross transaction value  +5.1%
Like-for-like sales       - 5.0%
Gross margin %            - 90 bps
Profit before exceptional items (a) £131.4m
Net debt                  £(1,017)m
Underlying earnings per share 11.9p
Proposed final dividend    3.8p

Note (a) After adding back £3.9m of capitalised bank fees.
## Trading Results 2007

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£m</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross transaction value</td>
<td>2,305.6</td>
<td>2,192.9</td>
<td>+ 5.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>194.1</td>
<td>238.2</td>
<td>- 18.5</td>
</tr>
<tr>
<td>Interest</td>
<td>(66.6)</td>
<td>(125.4)</td>
<td></td>
</tr>
<tr>
<td>Profit before tax and exceptionals</td>
<td>127.5</td>
<td>112.8</td>
<td>+ 13.0</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(14.3)</td>
<td>(50.7)</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(34.2)</td>
<td>(18.4)</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>79.0</td>
<td>43.7</td>
<td>+ 80.8</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>9.3p</td>
<td>7.4p</td>
<td></td>
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</tbody>
</table>
Sales Growth History

CAGR 6.6%

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sales (£m)</th>
<th>LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1,903</td>
<td>1.6%</td>
</tr>
<tr>
<td>2005</td>
<td>2,087</td>
<td>2.8%</td>
</tr>
<tr>
<td>2006</td>
<td>2,193</td>
<td>0.5%</td>
</tr>
<tr>
<td>2007</td>
<td>2,306</td>
<td>(5.0%)</td>
</tr>
</tbody>
</table>
Sales Growth 2007

- LFL: (5.0%)
- Roches Stores: 7.1%
- New Dept Stores: 2.5%
- New Desire Stores: 0.2%
- International: 0.3%

Total: +5.1%
Quarterly LFL Performance

- Q1: 6.0%
- Q2: 3.0%
- Q3: 9.0%
- Q4: 2.0%
## Gross Margin Movement 2007

**Gross margin fall**

<table>
<thead>
<tr>
<th></th>
<th>bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved intake margin</td>
<td>+40</td>
</tr>
<tr>
<td>Clearance</td>
<td>- 40</td>
</tr>
<tr>
<td>Lower pricing</td>
<td>- 30</td>
</tr>
<tr>
<td>Product mix</td>
<td>- 60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>- 90</strong></td>
</tr>
</tbody>
</table>

Improved intake margin offset by

- Increased clearance to maintain clean opening stock position for 2007/08
- New lower pricing across clothing
- Mix away from menswear to lower margin health and beauty & concession lines

### Own bought mix

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007 ex Roches</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70.8%</td>
<td>70.4%</td>
<td>69.5%</td>
</tr>
</tbody>
</table>
Roches Integration

Margin rate differentials - Roches v Total company

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4
2006/07 2007/08

Own bought mix
06/07 48% Closing 07 58% 07/08 63%
## Roches Operating Performance

<table>
<thead>
<tr>
<th>£m</th>
<th>FY 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross transaction value</td>
<td>153.4</td>
</tr>
<tr>
<td>Gross margin</td>
<td>58.2</td>
</tr>
<tr>
<td>Gross margin rate</td>
<td>37.9%</td>
</tr>
<tr>
<td>Costs</td>
<td>(55.5)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2.7</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>
Direct Highlights

Gross transaction value  £26.1m
Sales growth  +31.7%
Gross margin  + 160 bps
EBITDA  + 92.0%

Quarterly LFL Growth

New Website launched Nov/Dec 06
## Store Costs

<table>
<thead>
<tr>
<th></th>
<th>FY 07</th>
<th>FY 07 (Ex Roches)</th>
<th>FY 06</th>
</tr>
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<tbody>
<tr>
<td>Payroll</td>
<td>236.3</td>
<td>214.8</td>
<td>209.0</td>
</tr>
<tr>
<td>% to sales</td>
<td>10.2%</td>
<td>10.0%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Store rent</td>
<td>123.0</td>
<td>108.9</td>
<td>101.2</td>
</tr>
<tr>
<td>UK GAAP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFRS adjustment</td>
<td>14.5</td>
<td>14.5</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>Total store rent</strong></td>
<td><strong>137.5</strong></td>
<td><strong>123.4</strong></td>
<td><strong>116.6</strong></td>
</tr>
<tr>
<td>% to sales</td>
<td>6.0%</td>
<td>5.7%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Energy</td>
<td>25.6</td>
<td>23.7</td>
<td>16.6</td>
</tr>
<tr>
<td>% to sales</td>
<td>1.1%</td>
<td>1.1%</td>
<td>0.8%</td>
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</tbody>
</table>
## Warehouse and Distribution

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Labour</td>
<td>16.3</td>
<td>22.7</td>
<td>6.4</td>
</tr>
<tr>
<td>Property</td>
<td>12.8</td>
<td>13.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Transport</td>
<td>17.1</td>
<td>17.0</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Total distribution</strong></td>
<td><strong>46.2</strong></td>
<td><strong>53.0</strong></td>
<td><strong>6.8</strong></td>
</tr>
<tr>
<td>% to Sales</td>
<td>2.0%</td>
<td>2.4%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>
## Portfolio KPIs – Space 2007

<table>
<thead>
<tr>
<th></th>
<th>Sq Ft. (k)</th>
<th>Dept Stores</th>
<th>Desires</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2006 Close</strong></td>
<td>9,474</td>
<td>122</td>
<td>4</td>
<td>126</td>
</tr>
<tr>
<td><strong>Dept stores openings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roches acquisition</td>
<td>575</td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Llandudno</td>
<td>46</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Wigan *</td>
<td>22</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Warrington</td>
<td>80</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Desire store openings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birmingham Fort</td>
<td>13</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Kirkaldy</td>
<td>13</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Merthyr</td>
<td>14</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Altrincham</td>
<td>15</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Walton-on-Thames</td>
<td>14</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>2007 Close</strong></td>
<td>10,266</td>
<td>133</td>
<td>9</td>
<td>142</td>
</tr>
</tbody>
</table>

* Resite (incremental space)
# Portfolio KPIs – Space 2008

<table>
<thead>
<tr>
<th></th>
<th>Sq Ft. (k)</th>
<th>Dept Stores</th>
<th>Desires</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Close</td>
<td>10,266</td>
<td>133</td>
<td>9</td>
<td>142</td>
</tr>
<tr>
<td><strong>Dept store openings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Derby *</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Bangor *</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Exeter *</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Glasgow Silverburn</td>
<td>80</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>• Ashford</td>
<td>60</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>• Blackpool</td>
<td>65</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>• Liverpool</td>
<td>125</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>• Welwyn</td>
<td>20</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>• Llanelli</td>
<td>22</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Desire store openings</strong></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>• Ballymena</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Closures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Jervis Street</td>
<td>(90)</td>
<td></td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td><strong>2008 Close</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,640</td>
<td>138</td>
<td>10</td>
<td>148</td>
</tr>
</tbody>
</table>

* Resite (incremental space)
Capital Additions

2007

- New stores: 37%
- Roches: 23%
- Maintenance: 12%
- Systems: 8%
- Mods: 13%
- Other: 7%

£136.6m

2008 Guidance

- New stores: 47%
- Mods: 28%
- Systems: 8%
- Maintenance: 14%
- Other: 3%

£150m
Refit Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>Spend £m</th>
<th>£ per sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>10.2</td>
<td>6.3</td>
</tr>
<tr>
<td>2006</td>
<td>10.2</td>
<td>6.7</td>
</tr>
<tr>
<td>2007</td>
<td>18.0</td>
<td>10.4</td>
</tr>
<tr>
<td>2008 Guidance</td>
<td>42.7</td>
<td>15.3</td>
</tr>
</tbody>
</table>
## Balance Sheet – Highlights

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£m</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1,690</td>
<td>1,557</td>
<td>133</td>
</tr>
<tr>
<td>Stock</td>
<td>245</td>
<td>208</td>
<td>37</td>
</tr>
<tr>
<td>Other working capital</td>
<td>(403)</td>
<td>(337)</td>
<td>(66)</td>
</tr>
<tr>
<td>Net debt</td>
<td>(1,017)</td>
<td>(1,096)</td>
<td>79</td>
</tr>
<tr>
<td>Liabilities and charges</td>
<td>(352)</td>
<td>(279)</td>
<td>(73)</td>
</tr>
<tr>
<td><strong>Shareholders’ funds</strong></td>
<td><strong>163</strong></td>
<td><strong>53</strong></td>
<td><strong>110</strong></td>
</tr>
<tr>
<td>Fixed charge cover</td>
<td>2.3 x</td>
<td>2.5 x</td>
<td>0.2 x</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>3.5 x</td>
<td>3.1 x</td>
<td>0.4 x</td>
</tr>
<tr>
<td>Pension surplus</td>
<td>£87.3m</td>
<td>£13.8m</td>
<td>£73.5m</td>
</tr>
</tbody>
</table>
## Balance Sheet – Stock

<table>
<thead>
<tr>
<th>Component</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline growth</td>
<td>18%</td>
</tr>
<tr>
<td>New stores</td>
<td>10%</td>
</tr>
<tr>
<td>Earlier intake of Autumn Winter</td>
<td>2%</td>
</tr>
<tr>
<td>Lower prices</td>
<td>2%</td>
</tr>
<tr>
<td>International and Direct</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18%</strong></td>
</tr>
</tbody>
</table>
## Operating Cash Flow

<table>
<thead>
<tr>
<th>Item</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported operating profit</td>
<td>194.1</td>
<td>238.2</td>
</tr>
<tr>
<td>Depreciation (a)</td>
<td>88.2</td>
<td>85.9</td>
</tr>
<tr>
<td>Amortisation</td>
<td>7.0</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>289.3</strong></td>
<td><strong>329.2</strong></td>
</tr>
<tr>
<td>Working capital including pensions</td>
<td>65.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Capital – change in work in progress (39.9)</td>
<td></td>
<td>1.8</td>
</tr>
<tr>
<td>– spend (96.5)</td>
<td></td>
<td>(88.5)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>(136.4)</td>
<td>(86.7)</td>
</tr>
<tr>
<td><strong>Operating cash flow before exceptionals, Financing &amp; taxation</strong></td>
<td><strong>218.4</strong></td>
<td><strong>243.1</strong></td>
</tr>
<tr>
<td><strong>Net debt</strong> (b)</td>
<td><strong>1,017</strong></td>
<td><strong>1,096</strong></td>
</tr>
</tbody>
</table>

**Note:**
(a) Includes loss on disposal of fixed assets
(b) Net Debt includes £12m (2006: £16m) of capitalised debt flow
## Taxation and Dividend

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>2008 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit and loss rate</td>
<td>30.2%</td>
<td>29.6%</td>
<td>29.1%</td>
</tr>
<tr>
<td>Cash rate</td>
<td>27.3%</td>
<td>28.0%(a)</td>
<td>31.0%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>6.3p</td>
<td>2.4p</td>
<td></td>
</tr>
</tbody>
</table>

(a) Adjusted for pension contributions and share options
Review 2006/07 – Key Issues

Weaker clothing sales
  • Menswear
    • Range
    • Price architecture
  • Womenswear
    • Reliance on outerwear
    • Stock availability

Competitive Arena
  • Pricing
  • Marketing

Core Stores
Product Participation

Own Bought Sales by Product Category 2005/06

- Womenswear: 19.5%
- Menswear: 16.8%
- Childrens: 7.4%
- Home & Gift: 15.6%
- Health & Beauty: 20.2%
- Accessories: 10.9%
- Lingerie: 7.0%

Own Bought Sales by Product Category 2006/07

- Womenswear: 19.1%
- Menswear: 15.8%
- Childrens: 7.1%
- Home & Gift: 14.8%
- Health & Beauty: 20.2%
- Accessories: 11.6%
- Lingerie: 7.1%

Own Bought Sales Mix

<table>
<thead>
<tr>
<th>Year</th>
<th>Own Bought</th>
<th>Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06</td>
<td>70.8</td>
<td>29.2</td>
</tr>
<tr>
<td>2006/07 (ex Roches)</td>
<td>70.4</td>
<td>29.6</td>
</tr>
<tr>
<td>2006/07</td>
<td>69.5</td>
<td>30.5</td>
</tr>
</tbody>
</table>
Drive 2007/08 – Actions Taken

Improved product offer
- Design
- Quality
- Visual merchandising

Price architecture
- Raising quality and design standards
- Price realignment

Marketing
- New campaign launched
- Review of media strategy

Core stores
- Refurbishment programme accelerated
Improved Product Offer

Greater focus on products at the front end
• Improving and raising the style bar with Designers at Debenhams
• Enhancing design and quality perceptions

Improving the visual merchandising
• Designers displayed in a more premium way
• Fast fashion displayed as trend statements
• Core lines displayed by category with authority

Consolidation of some brands
• Creating destination areas
• Removing duplication
• Widening the target audience
Focus On Product Design And Quality
Enhanced Design Details
Price Architecture – Key Issues

Menswear Price Survey - March 2007

Source: Retail Map
### Price Architecture – Price Realignment

#### Menswear

<table>
<thead>
<tr>
<th>Season</th>
<th>Lower</th>
<th>Lower Middle</th>
<th>Middle</th>
<th>Upper Middle</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autumn Winter 2005/06</td>
<td>8%</td>
<td>15%</td>
<td>20%</td>
<td>16%</td>
<td>42%</td>
</tr>
<tr>
<td>Autumn Winter 2006/07</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
<td>30%</td>
<td>16%</td>
</tr>
</tbody>
</table>

#### Womenswear

<table>
<thead>
<tr>
<th>Season</th>
<th>Lower</th>
<th>Lower Middle</th>
<th>Middle</th>
<th>Upper Middle</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autumn Winter 2005/06</td>
<td>4%</td>
<td>18%</td>
<td>25%</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td>Autumn Winter 2006/07</td>
<td>6%</td>
<td>14%</td>
<td>31%</td>
<td>21%</td>
<td>27%</td>
</tr>
</tbody>
</table>

#### Childrenswear

<table>
<thead>
<tr>
<th>Season</th>
<th>Lower</th>
<th>Lower Middle</th>
<th>Middle</th>
<th>Upper Middle</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autumn Winter 2005/06</td>
<td>2%</td>
<td>2%</td>
<td>6%</td>
<td>5%</td>
<td>87%</td>
</tr>
<tr>
<td>Autumn Winter 2006/07</td>
<td>3%</td>
<td>3%</td>
<td>22%</td>
<td>3%</td>
<td>72%</td>
</tr>
</tbody>
</table>
Impact On Margin Dynamics

2006/07 Impact

2007/08 Assumptions

- Improve price points
- Investment in quality and design
- Currency gains
- Direct sourcing
- Stronger clothing sales
- Improvement in menswear
- Lower prices
- Faster rate of sale
- Less promotions
- RF price change management
- Shorter supply chain
- Higher participation from own bought
- Roches stores

Intake Margin | Product Mix | Markdown | Concession Mix

DEBENHAMS
STYLING THE NATION
£6 million investment in RF technology

- Leading edge suite
- Infrastructure now in all stores
- Improving the customer experience

Price change management

- Greater clarity of pricing
- Less promotional signage
- Faster sell through on markdown products
- More hours to invest in customer service

Other developments

- Mobile office
- Work planner
- Stock availability management
New premium campaign launched
  • New “Club” creative
  • Conveys range, choice, quality & value

Review of media strategy
  • Increased mix of premium advertising
  • Targeted coverage in press and online
  • Increased frequency of advertising

Improved the Store Card
  • Rewarding loyal customers for higher spend
  • Enhanced benefits
  • Better communication to customers
WETHERBY WOMEN'S ASSOCIATION

AUTUMN FETE 2007

Club members wear RED HERRING
Exclusive to Debenhams

Top, jacket £35; jeans £25; shirt £15;
Cardigan £30; scarf £15; shoes £35

More information about the club and shop online at www.debenhams.com/clubs or call 08445 616161
CHALFONT ST. GILES FENCING CLUB

Club members’ outfits
Exclusive to Debenhams

Left to right:
- JOHN BY JOHN RICHMOND Silver Lace Cotton Mix Top £30
- J BY JASPER CONRAN Luxurious Double Breasted Silk Jacquard Coat £180
- STAFF JUNIORS MAC DONALD Printed Jersey Top with Sequin Sparkle Skirt £50
- BUTTERFLY KAGAN MATT HINE WILLIAMSON Printed Military Style Coat £180 Skirt £40
- J TAYLOR Wool Blend Pleat Colour Coat with Black Crop Belt £120
- JOHN BY JOHN RICHMOND Embroidered Soft Leather Fitted Black Jacket £180 Navy Trim lace Hem £180

Find out more about the clubs and shop online at www.debenhams.com/clubs
or call 03445 616161
BIGGLESWADE HOT AIR BALLOON CLUB

Club members wear MAINE NEW ENGLAND
Exclusive to Debenhams

Left to right:

Suede hooded Mountain jacket £49.99
Secretary’s cut ‘Winchester’ Blazer £65
Suede lace-up Chelsea boots £60

Wickersley Tweedcape jacket £85.50
Soft washed stripe scarf £14

Vintage-look ‘Willow’ jacket £79.99
Pendleton ‘Rock’ wool scarf £49

Luxury stretch cashmere £20

Chunky Supersoft wool blend scarf £14

Luxury Cashmere Wool blend scarf £14.50

For further information and availability at
www.debenhams.com/clubs
or call 08445 616161
Club members' bags
Exclusive to Debenhams

Left to right:
Jasper Conran Embellished White Tassel Bag £125
Jasper Conran Pink Quilted Suede Lock Stud Bag £175
John Richmond Black Suede Stud Leather Bag £150
Bertie Jackson Black Colour Pop Leather Bag £110
Red Herring Super soft Soft Black Patent Bag £22
Red Herring Metallic Silver Snakeskin Bag £25

Find out more about the clubs and shops online at www.debenhams.com/clubs
or call 08445 616161

DEBENHAMS
STYLING THE NATION
The Kettering Kite Club

Introducing BAKER by TED BAKER
New and exclusive to Designers at Debenhams
The Pimlico Arts Club

Club members wear BUTTERFLY BY MATTHEW WILLIAMSON
Exclusive to Designers at Debenhams

Photography Simeon Salmone
Hair, Make-up & Styling Mike Darby

Debenhams Ltd 2011

Find out more about the arts and creative jobs at
www.debenhams.com/clubs
or call 0844 5616161

DEBENHAMS
STYLING THE NATION
Little Orton Silk and Lace Society
STROKE NEWINGTON SURF CLUB

Club members wear MANTARAY
New and exclusive to Debenhams

Flannel Deck Jacket £55
Khaki Utility Jacket £55
Zipped Cotton Sweater £30
Zipped Denim Trucker £35
Ruched Chambray Shirt £30
Cotton Cargo Trousers £30
Quilted Jacket £35
Ruched Sleeveless Jumper £25
Cotton Polo Shirt £20

Find out more about the club and shop online at
www.debenhams.com/clubs
or call 08445 616151

Debenhams
STYLING THE NATION
The Bagshot Ballroom Dancing Club

Club members’ outfits
Exclusive to Debenhams

Left to right:
STAR BY JULIEN MACDONALD Limited Edition Sequin Gown £350
DEBUT Satin Robe Neck Dress £90
PEARCE & FIDANCA Limited Edition Sequin Crystal Embellished Gown £250
STAR BY JULIEN MACDONALD Silk Charmeuse Embroidered Gown £150
DEBUT Jacquard Skirt from Dress £100
STAR BY JULIEN MACDONALD Evening Dress with Gold Bead Trim £710
KARL JACSON AND J BY JASPER CONRAN Denim Jacket from £159, £279

Find out more about the clubs and shop online at:
www.debenhams.com/clubs
or call 08445 816151

Christmas
DEBENHAMS
STYLING THE NATION
The Isleworth Ice Queens Club

Club members’ outfits
Exclusive to Debenhams

Left to right:
STAR BY JULIEN MACDONALD Faux fur coat £300
STAR BY JULIEN MACDONALD Satin and mesh dress £550
RED Herring Faux fur coat £125
RED Herring Sequin dress £125
JEANS BY JASPER CONRAN Sequin dress £175
RED Herring Sequin dress £125

Find out more about the club and shop online at
www.debenhams.com/clubs
or call 08445 616161

Christmas
DEBENHAMS
STYLING THE NATION
Kid members’ outfits
Exclusive to Debenhams

- T-shirt: £10 - £11, sizes 10 - 12
- Jogging bottoms: £7 - £8, sizes 10 - 12
- Jogging trousers: £10 - £11, sizes 10 - 12
- Jogging shorts: £8 - £9, sizes 10 - 12
- Jogging wear: £15 - £16, sizes 10 - 12
- Tracksuit bottoms: £10 - £11, sizes 10 - 12
- Jogging set: £15 - £16, sizes 10 - 12

Find out more about the clubs and shop online at www.debenhams.com/clubs or call 08445 615161.
Club members’ outfits
Exclusive to Debenhams
Left to right:
RED HERRING Film Pink Party Dress £28-£38
TIGERLILY Pink Party Dress £35-£43
TIGERLILY Net and Jersey FRJ £14-£16, Wrap in Top £19-£12
RED HERRING Freckles Party Dress £24-£30
TIGERLILY Party Dress £30-£32
Find out more about the clubs and shop online at
www.debenhams.com/clubs
or call 08445 616161
Club members wear JULIEN MACDONALD
One of twenty Designers at Debenhams

Left to right:
Limited Edition Sequin Gown £350
Grecian Style Jersey Dress with Sequin Neckline £145
Silver Sequin Cascade Cocktail Dress £290
Diamante Tulle Shawl Sequin Dress £290
Silk Satin Hand Beaded Gold Goddess Dress £169

Find out more about the clubs and shop online at
www.debenhams.com/clubs
or call 08445 616161

The Julien Macdonald Appreciation Society

Christmas
DEBENHAMS
STYLING THE NATION
Elements of the Desire shop fit
• Improved fixtures, branding and graphics

Focus on visual merchandising
• Distinguishing designers, fast fashion and core products

Capital expenditure focused on
• Sales Uplift and ROIC
• Customer perception

Average cost of £15 per square foot driving strong financial returns
• Uxbridge cost £9 per square foot
• 10% Sales Uplift

### Store Portfolio

<table>
<thead>
<tr>
<th></th>
<th>06/07</th>
<th>07/08</th>
<th>08/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>New stores*</td>
<td>20</td>
<td>20</td>
<td>20</td>
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<tr>
<td>Ex-Allders</td>
<td>8</td>
<td>8</td>
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<tr>
<td>Ex-Roches</td>
<td>9</td>
<td>9</td>
<td>9</td>
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<tr>
<td>Refurbished stores</td>
<td>26</td>
<td>55</td>
<td>85</td>
</tr>
<tr>
<td>Core stores</td>
<td>70</td>
<td>41</td>
<td>11</td>
</tr>
<tr>
<td>Desire</td>
<td>9</td>
<td>9</td>
<td>9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>142</strong></td>
<td><strong>142</strong></td>
</tr>
</tbody>
</table>

* Opened in past 4 years, excludes future pipeline
Uxbridge Refurbishment
Uxbridge Refurbishment
Uxbridge Refurbishment
Uxbridge Refurbishment
Strategic Growth Drivers – New Department Stores

Contracted New Store Pipeline

135 Department Stores Today

2007/08
Exeter * Derby * Llanelli Welwyn
Glasgow Silverburn Bangor (Wales) *
Ashford Blackpool Liverpool

2008/09
White City Wrexham Dunfermline Livingston
Bury St Edmunds Great Yarmouth

2009/10
Newbury * Newport Carmarthen Bradford Wakefield
Newcastle Darlington Lichfield
Bury (Gtr Manchester) Wood Green

2010/11
Lancaster Wolverhampton Crewe Barnsley Macclesfield
Swindon * Bath

* Re-sites

53
Strategic Growth Drivers – Desire

A unique concept with capacity for c.100 stores

- Sales densities and gross margin higher than department stores
- High own bought mix
- EBITDA margin in line with department stores
- Successful childrenswear introduction
- Trial menswear

Desire Roll Out

<table>
<thead>
<tr>
<th>Trading Year</th>
<th>Annual Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/05</td>
<td>1</td>
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<td>05/06</td>
<td>2</td>
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<td>06/07</td>
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<td>07/08</td>
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<tr>
<td>08/09</td>
<td>12</td>
</tr>
<tr>
<td>09/10</td>
<td>12</td>
</tr>
</tbody>
</table>

Legend:
- Open
- Signed
- Planned/Negotiating
Strategic Growth Drivers – International

Now 36 stores in 16 countries trading over 1.5 million square foot

Significant growth opportunity with a strong opening programme

New markets entered in Russia, Romania, Jordan and India

Significant opportunity to roll out different format stores internationally
The online sector is expected to account for nearly 10% of retail spend in 2011

- Clothing predicted to be one of the fastest growing categories

New platform fully launched

- £30m sales 2006/07
- Second half sales up 51% and visits up 44% vs last year

Marketing potential

- Micro sites
- Advertising and product research

New product launches

- Premium cosmetic houses
- Electricals
- Wine & champagne
Summary

Product
• Focus on Product Design and Quality
• Price Realignment

Marketing
• New premium campaign
• Increased frequency of advertising

Department Stores
• Accelerated refurbishment programme
• Roches fully ranged with Debenhams merchandise

New Stores
• Strong pipeline of new space across all formats

Internet
• Improved performance following launch of new site
Current Trading

7 Weeks to 20th October 2007

• Total sales growth of +3.9%

• Like-for-like sales\(^{(1)}\) +2.1%

• Gross margin up year on year

• Market share improving

Note

\(^{(1)}\) Excluding the 9 Roches stores for both years