

10 January 2012

**DEBENHAMS PLC**  
**INTERIM MANAGEMENT STATEMENT FOR 18 WEEKS TO 7 JANUARY 2012**

- Group gross transaction value +0.5% for 18 weeks
- Group like-for-like sales for 18 weeks
  - +1.4% inc VAT
  - flat exc VAT
- Strong December like-for-like sales; up 6.5% inc VAT
- Gross margin guidance for full year remains flat

Debenhams plc, the leading department stores group, today announces its interim management statement for the 18 weeks to 7 January 2012.

*Note: all comparisons relate to the 18 weeks to 7 January 2012 versus the 18 weeks to 8 January 2011 unless otherwise stated.*

Group gross transaction value for the 18 weeks to 7 January 2012 increased by 0.5%. Group like-for-like sales increased by 1.4% including VAT and were level with last year excluding VAT. The online business, which is a key component of our multi-channel offer, delivered another strong performance with like-for-like sales increasing by 34.8%.

Overall, we are pleased with this good performance given the difficult trading conditions which have been experienced during the period. Warmer weather throughout October and November impacted the sales of seasonal product lines and uncertainty in the wider economy continues to have an adverse impact on consumer confidence. December trading was notably stronger with growth in Group like-for-like sales for the five weeks to 31 December of 6.5% including VAT.

Debenhams has continued to take a pragmatic approach to trading throughout the 18 weeks, focusing on maximising cash gross margin through management of promotional events and product mix. As a result, stock levels are firmly under control across all departments and terminal stock at the end of the first half is expected to be in line with historic levels. At this stage, gross margin guidance for the financial year is unchanged at flat.

One new store opened in Newbury during the 18 weeks taking the total to 170 stores in the UK, Ireland and Denmark. Two new international franchise stores were also opened, both in the Philippines, giving a total of 66 stores in 25 countries.

Except as detailed above, there have been no material events or transactions which have impacted the Group's strong financial position since the previously announced balance sheet dated 3 September 2011.

Michael Sharp, Chief Executive of Debenhams, said:

"I am pleased with this performance. We traded well despite the difficult environment as evidenced by strong sales in December, including record sales in the final week before Christmas.

"Looking forward, we are cautious about the strength of the economy and its impact on consumer behaviour over the remainder of the financial year. We will continue to manage the business tightly with an ongoing emphasis on cost and margin management. We are confident that the design, quality and value offered by our spring/summer 2012 product ranges will find favour with customers and expect to see some benefit from lower input prices in the second half of the year."

- Ends -

*Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Debenhams' current expectations concerning future events and actual results may differ materially from current expectations or historical results. Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is (or is deemed to be) incorporated into or forms (or is deemed to form) part of this announcement.*

### **Conference call**

A conference call for investors and analysts will be held at 8:00am GMT today. To join this call, please dial +44 (0) 20 3140 0820 or +1 718 705 7514. A recording will be available for seven days on +44 (0) 20 3140 0698 or +1 877 846 3918, PIN 381783#.

### **Enquiries**

#### **Investors and analysts**

Debenhams plc

Lisa Williams

020 7408 3304, 07908 483841

#### **Media**

FTI Consulting

Jonathan Brill

Caroline Stewart

020 7269 7170

020 7269 7227

### **Notes to editors**

Debenhams is an iconic British department store group which was established over 200 years ago. Debenhams has a strong presence in key product categories including womenswear, menswear, childrenswear, home and health and beauty and offers its customers a unique and differentiated mix of exclusive own bought brands including Designers at Debenhams, international brands and concessions.

Debenhams has 170 stores in the UK, the Republic of Ireland and Denmark as well as 66 international franchise stores in 25 countries. Debenhams products are also available online at [www.debenhams.com](http://www.debenhams.com) and [www.debenhams.ie](http://www.debenhams.ie) and through iPhone, Android and Nokia apps.

Designers at Debenhams include Ted Baker, Jeff Banks, Jasper Conran, Erickson Beamon, FrostFrench, Henry Holland, Roksanđa Ilincic, Betty Jackson, Jonathan Kelsey, Ben de Lisi, Julien Macdonald, Melissa Odabash, Jane Packer, Pearce Fionda, Preen, Janet Reger, John Rocha, Jonathan Saunders, Lisa Sticklely, Eric Van Peterson and Matthew Williamson.