

16 January 2007

Debenhams plc

Trading Update

Debenhams plc, the leading department stores group, today releases a trading update for the 19 weeks ended 13th January 2007.

Total cumulative sales for the company are up by 6.3% compared with the comparable period last year, with like-for-like sales in the UK retail business down 4.0% for the same period.

The group's sales mix in the first half has been affected by slower than expected clothing sales, but more importantly as a consequence of the impact of the integration of the Roche stores and their reliance on lower gross margin concession sales. Combined these will have some impact on gross margin at the half year.

However, the Roche integration is ahead of schedule; this combined with higher intake margin means that at this stage we still expect to see further progress on gross margin for the full year.

Rob Templeman, Chief Executive, said:

“Debenhams’ sales performance has improved since we reported figures for the period to 10 December 2006 but the market remains challenging and we are cautious about the out-turn for the rest of this financial year.”

Enquiries:

Media

Gainsborough Communications

Andy Cornelius

020 7190 1703

Duncan Murray

020 7190 1704

Analysts

Debenhams plc

Rob Templeman, Chief Executive

Chris Woodhouse, Finance Director

020 7408 3302

High resolution images are available for media to view and download free of charge from www.prshots.com/Debenhams

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. Any such forward-looking statements are subject to various risks and uncertainties, including: Debenhams' ability to accurately predict customer preferences and demands; the effectiveness of Debenhams' brand awareness and marketing programmes; the occurrence of weak sales during peak selling seasons or extreme or unseasonal weather conditions; competitive factors in the highly competitive retail industry; Debenhams' ability to successfully implement its new store rollout and department store refurbishment/modernization strategy; Debenhams' ability to maintain its relationships with certain designers and its significant concession partner; and currency fluctuations and currency risk.

* * *

Additional risk factors that you may want to consider are: Debenhams' ability to retain key management and personnel; disruptions or other adverse events affecting Debenhams' relationship with its major suppliers or its store card provider; factors outside Debenhams' control, such as changes in the financial or equity markets, adverse economic conditions or a downturn in the retail industry, or damage or interruptions due to operational disruption, natural disaster, war or terrorist activity; and work stoppages; slowdowns or strikes.

Notes to Editors:

Debenhams is a leading department stores group with a strong presence in key product categories, such as womenswear, menswear, homeware and health and beauty.

Debenhams has a total of 132 department stores in the UK and Republic of Ireland, and a further seven Desire by Debenhams stores, which are a new small store concept featuring a mix of women's fashion, accessories, lingerie and cosmetics. Debenhams has a further 30 international franchise stores in 14 different countries.

Designers at Debenhams include Nigel Cabourn, Jasper Conran, Theo Fennell, Pearce Fionda, Frost French, Betty Jackson, Ben de Lisi, Julien Macdonald, John Richmond, John Rocha and Matthew Williamson.

Debenhams plc was listed on the London Stock Exchange in May 2006.