23rd March 2016

LAURA ASHLEY HOLDINGS plc
("the Group")

Laura Ashley Holdings plc announces its second interim results for the 52 weeks to 30 January 2016.

Summary

- Profit before tax and exceptional items of £20.7m (2015: £22.9m – 53 week period).
- Profit after tax and exceptional items of £19.4m (2015: £23.5m – 53 week period).
- Like-for-like retail sales up 4.8%.
- Total Group sales down 4.6% to £289.5m (2015: £303.6m – 53 week period).
- Online revenue up 5.3% (Like-for-like up 14.5%).
- Hotel revenue increased by 29%.
- £17.1m cash balance.
- Interim dividend of 1.00 pence per share (2015 final dividend: 1.00 pence per share).

Commenting on the results, Tan Sri Dr Khoo Kay Peng, Chairman, said:

"I am pleased with the performance and the underlying strength of our core UK business, where healthy like-for-like sales growth, across all product categories, has been achieved for another year. We are proud of the performance of our Home Accessories category, where our focus on innovation, quality and design has contributed to an 8.7% rise in like-for-like sales.

Our online channel has continued to advance with like-for-like growth of 14.5%, a reflection of our enhanced digital platform and improved home delivery service.

We are encouraged by the strong growth achieved by our hotel, which is now starting to realise its true potential both to the Brand and the company.

We will continue to work with our overseas partners following a challenging year for our international business. The acquisition of our Asian Headquarters in Singapore signals our commitment to the overseas business channel. Our plans for continued international growth remain central to our strategy as a worldwide Brand.

We remain optimistic for the future and are confident that the strength of the Brand and the enduring appeal of our product ranges mean we are well positioned for continued growth."

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Overview

For the 52 weeks to 30 January 2016, total Group sales decreased by 4.6% to £289.5m compared with the 53 week period last year (2015: £303.6m) partly as a result of it being a 52 week period but also because of continued challenging trading conditions for our international operations. Like-for-like sales grew by 4.8% over the same period. e-Commerce sales grew by £2.6m (5.3%) to £51.1m (2015: £48.5m). Like-for-like e-Commerce sales grew by 14.5%.

Group profit before taxation, excluding exceptional items, fell by 9.6% to £20.7m (2015: £22.9m). In the period, the Group incurred an exceptional charge of £1.3m following its licence partner in Australia being placed into voluntary administration. Whilst the Group continues to discuss with the administrator the future of the Australian operations, an exceptional charge has been taken against the amounts owed to the Group by its licence partner. Group profit before taxation, including exceptional items, fell by 17.4% to £19.4m (2015: £23.5m).

Operating expenses fell by 3.1% compared to the same period last year.

Cash Flow and Balance Sheet

As at 30 January 2016, bank borrowings stood at £20.8m and the cash balance was £17.1m. Inventory was in line with requirements. The bank borrowings reflect the balance of the loan due in respect of the property in Singapore which was acquired during the year. The Group funded 35% of the transaction from its own cash reserves.

Dividend

The Board has approved the payment of a second interim dividend of 1.00 pence per share (2015 final dividend: 1.00 pence per share). The second interim dividend will be paid on 8 July 2016 to all shareholders on the register at the close of business on 17 June 2016. The ex-dividend date will be 16 June 2016.

UK Retail

As at 30 January 2016, the property portfolio in the UK comprised 193 stores (January 2015: 205). The portfolio is as follows: 118 Mixed Product stores, 49 Home stores, 24 Home concession stores, 1 Gifts & Accessories store and 1 Clearance outlet. During the year, three new stores were opened and fifteen were closed, reducing total selling space by 3.8% to 732,000 square feet.

Total UK non like-for-like retail sales decreased by 2.0% to £262.1m (2015: £267.4m). This was due to the reduction in store numbers and one less week's reported trade. Our UK retail business performed in line with the overall retail market but ahead in some product categories.

Total e-Commerce sales were up 5.3% on last year (LFL 14.5%) and now represent 19.5% of total UK Retail sales (2014: 18.0%).

Product

The UK business is split into four main categories. For the 52 weeks ended 30 January 2016, the relative split of UK sales was as follows: Home Accessories 31%, Furniture 30%, Decorating 22% and Fashion 17%.

Furniture
The Furniture product category includes upholstered and cabinet furniture, beds and mirrors.

Furniture sales for the 52 weeks to 30 January 2016 increased by 2.8% over the same period last year with like-for-like sales up 4.8%. The depth of choice within this category has facilitated its growth, with twenty four wooden furniture ranges, six of which are new, in a variety of colours and finishes, upholstery which is available in over one hundred fabrics and an extended range of beds, mattresses & mirrors. Further product development has been added to the range in Spring / Summer 2016.

Home Accessories
The Home Accessories product category includes lighting, gifts, bed linen, rugs, throws, cushions and children's accessories.

Home Accessories sales for the 52 weeks to 30 January 2016 increased by 5.6% over the same period last year, with like-for-like performance up by 8.7%. This category continues to grow on the back of innovative product development, range additions and in particular, seasonal offerings. The quality and variety of products complement and enhance our decorating themes and are what sets us apart in this category and enabled us to outperform the market.

Decorating
This category includes fabric, curtains, wallpaper, paint and decorative accessories.

Decorating sales for the 52 weeks to 30 January 2016 fell by 1.1%, with like-for-like sales up 1.3%. The continued steady sales growth of our decorating product category is particularly pleasing given that it represents the essence of the Brand. A rich and diverse combination of print, colour, design and texture helps to both reflect our heritage whilst maintaining a contemporary feel. Our best performing products in this category were our made to measure and readymade curtains as well as our extensive paint collection.

Fashion
This category includes adult fashion, fashion accessories and perfumery.

Fashion sales for the 52 weeks to 30 January 2016 decreased by 4.0% over the same period last year, with like-for-like sales up 2.6%. We are pleased that we have been able to maintain like-for-like growth over the whole year in what has been our most challenging product category. A continued focus on quality, design and print will ensure that this is maintained. Additionally, we plan to broaden exposure of our fashion ranges as we forge new partnerships with other retailers.

Hotel

The hotel has continued to improve steadily with further growth over the 12 month period of 29%.

International Operations

Contributing 7.7% of total Group revenue, our international Franchising and Licensing channels are an extremely important and strategic part of our business. As at 30 January 2016, there were 270 franchised stores (303 as at 31 January 2015) in 29 territories worldwide.

Franchise and Licensing revenue fell by 28.4% to £22.4m (2015: £31.3m) during the 52 weeks to 30 January 2016. As commented upon at the time of our interim results in September 2015, the primary reason for this shortfall against last year was the performance of the Japanese market. Following a rise in local sales tax (GST), a weak Japanese Yen and a subdued domestic economy, demand in the 26 week period to 1 August 2015 was weak and, unfortunately, this slow down continued. Further, continued political instability and economic difficulties in other territories have also contributed to a weak performance.

We will continue to work closely with our partners and remain confident that these challenges will be overcome. Work continues on establishing the Brand in new territories.

The acquisition of the Group's Asian head office in Singapore will help lead our Brand expansion into the Asian territories.

Change of Accounting Reference date

As announced in September 2015, the Group has changed its accounting reference date from the end of January to the end of June. The Group will, therefore, announce its audited results for the 17 month period to 30 June 2016 by the end of August 2016.

Current Trading and Outlook

Trading for the seven weeks to 20 March is down 0.4% on a like-for-like basis.

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- The interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the second six months of the financial period and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remainder of the period; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the second six months of the current financial period and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

By order of the Board
Seán Anglim
Chief Financial Officer

Condensed Group Statement of Comprehensive Income
For the 52 weeks ended 30 January 2016

	Note	**52 weeks to 30 January 2016 (unaudited) £m**	53 weeks to 31 January 2015 (audited) £m
Revenue	2	**289.5**	303.6
Cost of sales		**(164.7)**	(174.5)
Gross profit		**124.8**	129.1
Operating expenses		**(102.0)**	(105.3)
Profit from operations		**22.8**	23.8
Share of operating loss of associate		**(1.3)**	(0.5)
Finance costs		**(0.8)**	(0.4)
Profit before taxation excluding exceptional items		**20.7**	22.9
Exceptional items		**(1.3)**	0.6
Profit before taxation		**19.4**	23.5
Taxation		**(4.1)**	(5.2)
Profit for the financial period*		**15.3**	18.3
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit pension scheme		**2.4**	(9.4)
Deferred tax effect		**(0.5)**	2.0
Total that will not be subsequently reclassified to profit and loss		**1.9**	(7.4)
Exchange differences on translation of investments		**(0.4)**	2.3
Other reserve movements		**(1.0)**	(3.4)
Total that may be subsequently reclassified to profit and loss		**(1.4)**	(1.1)
Other comprehensive profit/(loss) for the period net of tax		**0.5**	(8.5)
Total comprehensive income for the period		**15.8**	9.8
***Earnings per share – basic and diluted calculated based on profit for the financial period**		**2.10p**	2.51p

The Group’s results shown above are derived entirely from continuing operations.

Condensed Group Balance Sheet
As at 30 January 2016

	At 30 January 2016 (unaudited) £m	At 31 January 2015 (audited) £m
Non-current assets		
Intangibles	**2.3**	2.0
Property, plant and equipment	**55.2**	21.2
Deferred tax asset	**3.0**	3.6
Investment in associate	**2.6**	3.7
	63.1	30.5
Current assets		
Inventories	**50.5**	51.0
Trade and other receivables	**18.2**	22.1
Cash and cash equivalents	**17.1**	27.8
	85.8	100.9
Total assets	**148.9**	131.4
Current liabilities		
Current tax liabilities	**1.8**	2.1
Trade and other payables	**65.0**	66.7
Short-term borrowings	**1.1**	-
	67.9	68.8
Non-current liabilities		
Retirement benefit liabilities	**15.0**	17.8
Deferred tax liabilities	**0.2**	0.2
Long-term borrowings	**19.7**	-
Provisions and other liabilities	**0.9**	0.7
	35.8	18.7
Total liabilities	**103.7**	87.5
Net assets	**45.2**	43.9
Equity		
Share capital	**37.3**	37.3
Share premium	**86.4**	86.4
Own shares	**(0.8)**	(0.8)
Retained earnings	**(77.7)**	(79.0)
Total equity	**45.2**	43.9

Condensed Group Statement of Changes in Shareholders' Equity
As at 30 January 2016

	Share capital £m	Share premium £m	Own shares £m	Retained earnings £m	Total equity £m
Balance as at 25 January 2014	37.3	86.4	(0.8)	(74.3)	48.6
Profit for the 53 weeks ended 31 January 2015	-	-	-	18.3	18.3
Dividend paid	-	-	-	(14.5)	(14.5)
Other comprehensive loss	-	-	-	(8.5)	(8.5)
Balance as at 31 January 2015	37.3	86.4	(0.8)	(79.0)	43.9
Profit for the 52 weeks ended 30 January 2016	-	-	-	15.3	15.3
Dividend paid	-	-	-	(14.5)	(14.5)
Other comprehensive income	-	-	-	0.5	0.5
Balance as at 30 January 2016	**37.3**	**86.4**	**(0.8)**	**(77.7)**	**45.2**

Condensed Group Cash Flow Statement
For the 52 weeks ended 30 January 2016

	Note	**52 weeks to 30 January 2016 (unaudited) £m**	53 weeks to 31 January 2015 (audited) £m
Operating activities			
Net cash inflow from operations	5	**25.1**	23.8
Corporation tax paid		**(4.4)**	(5.2)
Dividend paid		**(14.5)**	(21.8)
Dividend received		**-**	0.1
Finance cost		**(0.5)**	(0.4)
		5.7	(3.5)
Investing activities			
Purchase of intangible assets		**(1.0)**	(0.2)
Purchase of property, plant and equipment		**(35.9)**	(1.8)
Sale of investment in shares		**-**	8.0
Sale of property, plant and equipment		**-**	1.2
		(36.9)	7.2
Financing activities			
Bank loan received		**21.3**	-
Repayment of bank loan		**(0.5)**	-
Interest expense		**(0.3)**	-
		20.5	-
Net (decrease)/increase in cash and cash equivalents		**(10.7)**	3.7

Reconciliation of Net Cash Flow to movement in Net Funds
for the 52 weeks ended 30 January 2016

	52 weeks to 30 January 2016 (unaudited) £m	53 weeks to 31 January 2015 (audited) £m
Net (decrease)/increase in cash and cash equivalents	**(10.7)**	3.7
Net funds at the beginning of the period	**27.8**	24.1
Net funds at the end of the period	**17.1**	27.8

Notes

1 Basis of preparation

This condensed set of financial statements has been prepared in accordance with the requirements of IAS 34 'Interim Financial Reporting' as adopted by the European Union ('EU').

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and other than described below, this condensed set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Company's published financial statements for the financial year ended 31 January 2015, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU.

No new or amended financial accounting standards have been adopted in these financial statements.

The statutory audited accounts for the year ended 31 January 2015 have been delivered to the Registrar of Companies in England and Wales. The Auditor's report on these accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

These twelve months condensed financial statements are unaudited, not reviewed in accordance with 'International Standard on Review Engagements (UK and Ireland) 2410' and do not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

2 Segmental analysis

	52 weeks to 30 January 2016 (unaudited) £m	53 weeks to 31 January 2015 (audited) £m
Revenue		
Retail:		
Stores	**212.2**	220.6
e-Commerce & Mail Order	**51.1**	48.5
Hotel	**2.5**	1.9
Total Retail	**265.8**	271.0
Non-Retail	**23.7**	32.6
Total Revenue	**289.5**	303.6
Retail		
Contribution:		
Stores	**19.7**	19.6
e-Commerce & Mail Order	**11.9**	9.6
Hotel	**(0.3)**	(0.4)
Total contribution	**31.3**	28.8
Indirect overhead costs	**(18.5)**	(18.4)
Finance costs	**(0.8)**	(0.4)
Exceptional costs	**(1.3)**	0.6
Profit before taxation	**10.7**	10.6
Non-Retail		
Contribution	**10.0**	13.4
Share of associate loss	**(1.3)**	(0.5)
Profit before taxation	**8.7**	12.9
Total Retail and Non-Retail		
Contribution	**41.3**	42.2
Indirect overhead costs	**(18.5)**	(18.4)
Share of associated loss	**(1.3)**	(0.5)
Finance costs	**(0.8)**	(0.4)
Exceptional items	**(1.3)**	0.6
Profit before taxation	**19.4**	23.5

2 Segmental analysis (continued)

	52 weeks to 30 January 2016 (unaudited) £m	53 weeks to 31 January 2015 (audited) £m
Non-Current Assets		
Destination		
UK, Ireland & France	**60.5**	26.8
Rest of the World	**2.6**	3.7
Total Non-Current Assets	**63.1**	30.5
Revenue		
Destination		
UK, Ireland & France	**268.9**	273.9
Continental Europe	**2.8**	3.7
Rest of World	**17.8**	26.0
Total Revenue	**289.5**	303.6

The reported segments are consistent with the Group's internal reporting for performance measurement and resource allocation. The Group does not allocate indirect overhead costs between its retail and non-retail segments. As significant elements of the indirect overhead costs, being head office expenditure, arise from the retail segment, it is decided that the entire indirect costs are allocated to this segment.

Retail revenue reflects sales through Laura Ashley's Managed Stores, Mail Order, e-Commerce and Hotel. Non-retail revenue includes Licensing, Franchising and Manufacturing. Contribution is stated after deducting direct operating expenses, buying, marketing and administrative costs.

3 Taxation

Taxation has been calculated by applying the forecast full year effective rate of tax in the individual fiscal territories to the results for this period.

4 Earnings per share

Earnings per share are calculated by dividing the profit for the financial period by the weighted average number of ordinary shares during the year (excluding treasury shares of 18,272,500).

	52 weeks to 30 January 2016 (unaudited)	53 weeks to 31 January 2015 (audited)
Profit for the financial period (£m)	**15.3**	18.3
Weighted average number of ordinary shares – basic and diluted ('000)	**727,763**	727,763
Earnings per share	**2.10p**	2.51 p

5 Reconciliation of profit from operations to net cash inflow from operating activities

	52 weeks to 30 January 2016 (unaudited) £m	53 weeks to 31 January 2015 (audited) £m
Profit from operations	**22.8**	23.8
Exceptional items	**(1.3)**	0.6
Amortisation charge	**0.8**	0.6
Depreciation charge	**3.3**	2.9
Gain/(loss) on sale of property, plant and equipment	**0.2**	(0.5)
Exchange movement on property, plant and equipment	**(1.6)**	0.1
Decrease in inventories	**0.5**	1.3
Decrease in receivables	**3.9**	2.1
Decrease in payables	**(1.7)**	(5.9)
Movement in provisions	**(1.8)**	(1.2)
Net cash inflow from operating activities	**25.1**	23.8

6 Related party transactions

The related party transactions that have occurred in the 52 weeks ended 30 January 2016 are not materially different in size or nature to those reported in the Group's Annual Report for the financial year ended 31 January 2015.

7 Group pension arrangements

	30 Jan 2016 £000	31 Jan 2015 £000
Balance sheet liability as of start of year	**17,775**	8,821
Pension expense recognised in P&L in the financial year	**520**	378
Recognised actuarial (gains)/losses in other comprehensive income	**(2,372)**	9,445
Employer contributions made in the financial year	**(900)**	(869)
	15,023	17,775

Financial Assumptions

The assets and liabilities of the defined benefit scheme have been considered at 30 January 2016 in a manner consistent with the requirements of IAS 19 (Revised 2011). Over the period from 31 January 2015 to 30 January 2016 the unfunded value of obligations has improved from a deficit of £17.8 million to a deficit of £15 million. The unfunded obligation of £15 million at 30 January 2016 is the full funding shortfall and has been calculated without setting aside any unrecognised losses. It is expected that the disclosures for the 17 month period to 30 June 2016 will be made on a similar basis.

A full actuarial valuation of the scheme was undertaken in the latter part of 2014 by a qualified independent actuary and these accounting results have been updated to

7 Group pension arrangements (continued)

30 January 2016 to take account of benefit accrual and outflow during the period. The major assumptions used by the actuary are (in nominal terms) as follows:

	As at 30 Jan 2016	As at 31 Jan 2015
Discount rate	**3.70%**	3.00%
Rate of salary increase	**3.10%**	2.80%
Rate of increase to inflation –linked pensions in payment	**2.10%**	2.00%
Rate of increase in revaluation in deferment	**2.10%**	2.00%
Rate of inflation	**3.10%**	2.80%

	As at 30 Jan 2016	As at 31 Jan 2015
Life expectancy at age 65:	**years**	years
Male currently 65	**20.8**	20.6
Male currently 45	**22.5**	22.4
Female currently 65	**23.1**	23.1
Female currently 45	**25.0**	24.9

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and the appropriate risk margins.

8 Borrowing and acquisition of property

On 3rd of August 2015, the company's wholly owned subsidiary, Laura Ashley (Asia) Pte Ltd purchased a commercial property in Singapore at a total cost of Singapore Dollars (SGD) 73m (approximately £36.2m).

The acquisition has been partially funded by a SGD 42.9m debt facility provided by DBS Bank Limited secured against, inter alia, the property. The loan is repayable on a monthly basis for a term of 15 years with a prevailing interest rate of 3-months SIBOR plus 2.00% per annum. At 30 January 2016, the loan was translated in GBP £20.8m. The remaining consideration of SGD 30.1m (approximately £14.9m) for the acquisition was funded out of the Group's cash reserves.