

9 September 2009

LAURA ASHLEY HOLDINGS plc
(‘the Group’)

Laura Ashley today announces its results for the six months to 1 August 2009 showing a resilient performance in all product categories, an increase in total Group sales and UK retail sales like-for-like increase.

Financial Summary

- Total Group sales up 6.3% to £127.8m (2008: £120.2m).
- Increase in UK retail sales by 6.1% to £101.5m (LFL +6.7%).
- Profit before taxation and after exceptional gain of £1.1m (2008: £4.7m). This includes £5.5m of exchange rate losses consequent to non-hedging.
- Exceptional gain of £1.0 million (2008: £0.2 million).
- E-Commerce sales continue to grow at 36.1%.
- Healthy Balance Sheet with £10m net cash and a clean stock position.
- Interim dividend of 0.25 pence per share (5% of nominal value) will be paid on 12 November 2009 (2008: 0.5 pence per share).

Operational Summary

- Furniture sales grew 19.1% (LFL +9.3%), Home Accessories 10.2% (LFL +1.0%), Decorating 6.1% (LFL -2.4%) and Fashion 14.5% (LFL +8.2%).
- UK selling space up 1.6% to 884,000 sq. ft. (Jan 2009: 870,000 sq. ft). Total number of UK stores 231 (31 January 2009: 228).
- Our Space-Flex programme continues to improve sales densities.
- 228 franchised stores in 26 countries (Jan 2009: 223 franchised stores in 25 countries).

Commenting on the results, K P Khoo, Chairman, said:

“In what has been a challenging consumer environment, I am pleased that Laura Ashley has once again demonstrated its resilience, out-performing the UK market (BRC data) in all its product categories. Our international operations continue to grow and I am again pleased to report another period of growth for our E-Commerce operations. The outlook for retail remains uncertain, but I remain confident that Laura Ashley is well positioned with its key focus on operational efficiencies, excellence in product offering and multi-channel retailing.

I am encouraged by the positive start we have seen to the second half and remain cautiously optimistic that this momentum will continue through to the end of the year. The general economic outlook remains uncertain, but I have confidence in our brand, our strong and innovative product offering and our ongoing focus on maximising efficiencies in our business.”

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Overview

For the 26 weeks to 1 August 2009, total Group sales were up by £7.6m (6.3%) to £127.8m, compared to £120.2m in the previous year. Total UK retail sales increased in all categories. For the same period, total UK store sales were up 6.1% to £101.5m (LFL +6.7%). Total sales growth has primarily been driven by improved product offering, increased selling space from our store realignment programme and targeted promotional activities during the period.

Although underlying gross margins have remained broadly flat and profits have increased, reported profitability has been adversely affected by foreign exchange losses for the period of £5.5m. As a result of this, the Group is reporting a profit before tax of £1.1m compared to the profit before taxation of £4.7m in 2008.

The reported profit before taxation for the 26 weeks to 1 August 2009 of £1.1m (2008: £4.7m) includes an exceptional gain on the disposal of a store of £1.0m (2008: £0.2m). Operating expenses have increased by only 0.2% to £53.3m (2008: £53.2m) following cost reductions and continued operational efficiencies against turnover growth of 6.3%.

The Board has approved an interim dividend of 0.25 pence per share (5% of nominal value) that will be paid on 12 November 2009. (2008: 0.5p).

Product

The relative split of UK sales in the 26 weeks to 1 August 2009 is as follows: Furniture 27% (H1 2008: 26%), Home Accessories 26% (H1 2008: 28%), Decorating 24% (H1 2008: 24%) and Fashion 23% (H1 2008: 22%).

Furniture

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