9th September 2015

LAURA ASHLEY HOLDINGS plc
("the Group")

Laura Ashley Holdings plc announces its results for the 26 weeks to 1 August 2015

Summary

- Profit before taxation of £8.4m (2014: £8.5m).
- Total Group sales down 3.0% to £139.7m (2014: £144.0m).
- Like-for-like retail sales up by 7.0%.
- Online revenue up by 4.5%.
- Hotel revenue increased by 44%.
- £20.2m net cash balance.
- Interim dividend of 1.00 pence per share (2014: 1.00 pence per share).

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

"I am pleased to report that our business has maintained the robust performance of recent years with a healthy increase in like-for-like, retail sales. Our U.K. business, buoyed by a strong performance from our online channel, has shown resilience and potential for continued growth. The hotel is realising its potential and is proving to be a valuable asset to the brand.

We are encouraged as we enter the second half of the year. We will continue to work with our overseas franchisees to ensure that we maximise the international opportunities for our franchise partners and the Group. Development and improvement of our digital platform, which has been a core Group strategy over recent years, will remain a key focus as we strive to deliver a high quality, multi channel experience for our customers.

The enduring appeal of our great British brand and the loyalty of our worldwide customers give us confidence and optimism that the growth of recent years should continue."

Enquiries:

Laura Ashley Holdings plc Seán Anglim CFO / Joint COO	**020 7880 5100**
Media Enquiries **Brunswick** Anita Scott Helen Smith	**020 7404 5959**
Corporate Broker **Cantor Fitzgerald Europe** Richard Redmayne Marc Milmo Catherine Leftley	**020 7894 7000**

Overview

For the 26 weeks to 1 August 2015, total Group sales decreased by 3.0% to £139.7m compared with the same period last year (2014: £144.0m). Total UK retail sales increased by 0.7% to £125.5m (2014: £124.6m). Like-for-like sales grew by 7.0% over the same period. e-Commerce sales grew by £1.0m (4.5%) to £23.5m (2014: £22.5m).

Profit before taxation fell by 1.2% to £8.4m, (2014: £8.5m).

Operating expenses fell by 1.0% compared to the same period last year.

Cash Flow and Balance Sheet

As at 1 August 2015, there were no bank borrowings and the net cash balance was £20.2m. Inventory was in line with requirements.

On 3 August 2015, a loan of Singapore Dollars 42.9m (£20.2m) was drawn down by the Group upon the acquisition of the head office of the Group's Asian operation in Singapore. This represents 65% of the purchase price of the building. The remainder of the purchase price was funded from cash reserves of the Group.

Dividend

The Board has approved the payment of an interim dividend of 1.00 pence per share (2014: 1.00 pence per share). The interim dividend will be paid on 9 October 2015 to all shareholders on the register at the close of business on 18 September 2015. The ex dividend date will be 17 September 2015.

UK Retail

As at 1 August 2015, the property portfolio in the UK comprised 198 stores (January 2015: 205). The portfolio is as follows: 120 Mixed Product stores, 49 Home stores, 25 Home concession stores, 3 Gifts & Accessories stores and 1 Clearance outlet. During the first half, three new stores were opened and ten were closed, reducing total selling space by 2.0% to 745,000 square feet.

Total e-Commerce sales were up 4.5% on last year and now represent 19.0% of total UK Retail sales (2014: 18%). We now offer online delivery to the Benelux countries and early indications are that this will grow quickly.

Product

The UK business is split into four main categories. For the 26 weeks ended 1 August 2015, the relative split of UK sales is as follows: Furniture 31%, Home Accessories 29%, Decorating 23% and Fashion 17%.

Furniture

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

Furniture sales for the 26 weeks to 1 August 2015 increased by 8.8% over the same period last year with like-for-like sales up 10.4%. This is an extremely impressive performance considering the many new entrants to market over the past two years in this category. With seventeen wooden furniture ranges available in many colours and finishes, upholstery which is available in over one hundred fabrics and an extended range of beds, mattresses & mirrors, the depth of choice now on offer has enabled this category's growth and broadened its appeal. Further product development has added to the range in Autumn / Winter 2015.

Home Accessories

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

Home Accessories sales for the 26 weeks to 1 August 2015 increased by 8.2% over the same period last year with like-for-like performance up by 10.5%. As the stand out category, significant growth was achieved by our lighting, bed linen and gift ranges, all of which significantly outperformed the market. Diversity, quality and the ability to complement and enhance our decorating themes are what sets us apart in this category. Early indications are that this growth will continue into Autumn/Winter 2015.

Decorating

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

Decorating sales for the 26 weeks to 1 August 2015 increased by 2.1%, with like-for-like sales up 4.0%. Decorating is the cornerstone of the Home business. Our signature designs, colours and prints are imbued with the innate qualities of the Brand handwriting and illustrate its diversity and range. Our best performing products in this category were our made to measure curtains, readymade curtains and our paint ranges.

Fashion

This category includes adult fashion, fashion accessories and perfumery.

Fashion sales for the 26 weeks to 1 August 2015 decreased by 5.0% over the same period last year, with like-for-like sales up 0.6%. We had many successes within our fashion ranges over the first half and will continue to focus on the core values of the brand which include design, quality and print. Undoubtedly the most competitive category in which we trade, we expect like-for-like growth to continue this year.

Hotel

Following the good sales performance in the year to January 2015, which saw a year on year increase of 37%, the hotel has continued to improve steadily with further growth over the 6 month period of 44%. We expect this growth to continue over the second half.

International Operations

Contributing 8.4% of total Group revenue, our international Franchising and Licensing channel is an extremely important and strategic part of our business. As at 1 August 2015, there were 296 franchised stores (303 as at January 2015) in 30 territories worldwide.

Franchise and Licensing revenue fell by 31.5% to £11.7m (2014: £17.1m) during the 26 weeks to 1 August 2015. The primary reason for this shortfall against last year was the performance of the Japanese market where, following a rise in local sales tax (GST), the domestic economy has been sluggish. This, aligned to a weak Japanese Yen over the period, has resulted in a sharp fall in demand. The political and economic difficulties of Russia and Ukraine have also contributed to a relatively weak performance. However, good growth was recorded in a number of territories including South Korea and the Middle East.

We expect performance to improve during the second half of 2015. The Laura Ashley brand and product continues to resonate with our many worldwide customers. The acquisition of the Group's Asian head office in Singapore will lead the company's expansion into the Asian market.

Current Trading and Outlook

Trading for the five weeks to 5 September is up 5.7% on a like-for-like basis.

Condensed Group Statement of Comprehensive Income
For the 26 weeks ended 1 August 2015

	Note	**26 weeks to 1 August 2015 (unaudited) £m**	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Revenue	2	**139.7**	144.0	303.6
Cost of sales		**(79.2)**	(83.2)	(174.5)
Gross profit		**60.5**	60.8	129.1
Operating expenses		**(52.5)**	(53.0)	(105.3)
Profit from operations		**8.0**	7.8	23.8
Share of operating profit/(loss) of associate		**0.3**	0.7	(0.5)
Finance costs		**-**	-	(0.4)
Profit before taxation excluding exceptional items		**8.3**	8.5	22.9
Exceptional items		**0.1**	-	0.6
Profit before taxation		**8.4**	8.5	23.5
Taxation		**(1.7)**	(2.2)	(5.2)
Profit for the financial period*		**6.7**	6.3	18.3
Other comprehensive income:				
Actuarial loss on defined benefit pension scheme		**-**	-	(9.4)
Deferred tax effect		**-**	-	2.0
Total that will not be subsequently reclassified to profit and loss		**-**	-	(7.4)
Exchange differences on translation of investments		**0.3**	1.0	2.3
Other reserve movements		**(1.2)**	(1.2)	(3.4)
Total that may be subsequently reclassified to profit and loss		**(0.9)**	(0.2)	(1.1)
Other comprehensive loss for the period net of tax		**(0.9)**	(0.2)	(8.5)
Total comprehensive income for the period		**5.8**	6.1	9.8
***Earnings per share – basic and diluted calculated based on profit for the financial period**		**0.93p**	0.87p	2.51p

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

Condensed Group Balance Sheet
As at 1 August 2015

	At 1 August 2015 (unaudited) £m	At 26 July 2014 (unaudited) £m	At 31 January 2015 (audited) £m
Non-current assets			
Intangibles	**2.2**	2.1	2.0
Property, plant and equipment	**24.9**	22.1	21.2
Deferred tax asset	**3.6**	1.9	3.6
Investment in associate	**4.2**	5.0	3.7
	34.9	31.1	30.5
Current assets			
Inventories	**48.1**	50.5	51.0
Trade and other receivables	**19.4**	23.6	22.1
Cash and cash equivalents	**20.2**	13.8	27.8
	87.7	87.9	100.9
Total assets	**122.6**	119.0	131.4
Current liabilities			
Current tax liabilities	**1.7**	2.6	2.1
Trade and other payables	**60.0**	59.0	66.7
	61.7	61.6	68.8
Non-current liabilities			
Retirement benefit liabilities	**17.5**	8.8	17.8
Deferred tax liabilities	**0.2**	0.3	0.2
Provisions and other liabilities	**0.7**	0.8	0.7
	18.4	9.9	18.7
Total liabilities	**80.1**	71.5	87.5
Net assets	**42.5**	47.5	43.9
Equity			
Share capital	**37.3**	37.3	37.3
Share premium	**86.4**	86.4	86.4
Own shares	**(0.8)**	(0.8)	(0.8)
Retained earnings	**(80.4)**	(75.4)	(79.0)
Total equity	**42.5**	47.5	43.9

Condensed Group Statement of Changes in Shareholders' Equity
As at 1 August 2015

	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 period ended 26 July 2014	-	-	-	6.3	6.3
Dividend paid	-	-	-	(7.2)	(7.2)
Other comprehensive loss	-	-	-	(0.2)	(0.2)
Balance as at 26 July 2014	37.3	86.4	(0.8)	(75.4)	47.5
Profit for the period ended 31 January 2015	-	-	-	12.0	12.0
Dividend paid	-	-	-	(7.3)	(7.3)
Other comprehensive income	-	-	-	(8.3)	(8.3)
Balance as at 31 January 2015	37.3	86.4	(0.8)	(79.0)	43.9
Profit for the period ended 1 August 2015	-	-	-	6.7	6.7
Dividend paid	-	-	-	(7.2)	(7.2)
Other comprehensive loss	-	-	-	(0.9)	(0.9)
Balance as at 1 August 2015	**37.3**	**86.4**	**(0.8)**	**(80.4)**	**42.5**

Condensed Group Cash Flow Statement

For the 26 weeks ended 1 August 2015

	Note	**26 weeks to 1 August 2015 (unaudited) £m**	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Operating activities				
Net cash inflow/(outflow) from operations	5	**7.7**	(1.0)	23.8
Corporation tax paid		**(2.1)**	(1.7)	(5.2)
Dividend paid		**(7.2)**	(7.2)	(21.8)
Dividend received		**-**	-	0.1
Finance cost		**-**	-	(0.4)
		(1.6)	(9.9)	(3.5)
Investing activities				
Purchase of intangible assets		**(1.0)**	(0.1)	(0.2)
Purchase of property, plant and equipment		**(5.0)**	(0.4)	(1.8)
Sale of investment in shares		**-**	-	8.0
Sale of property, plant and equipment		**-**	-	1.2
Net cash receive from associate		**-**	0.1	-
		(6.0)	(0.4)	7.2
Net (decrease)/increase in cash and cash equivalents		**(7.6)**	(10.3)	3.7

Reconciliation of Net Cash Flow to movement in Net Funds
for the 26 weeks ended 1 August 2015

	26 weeks to 1 August 2015 (unaudited) £m	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Net (decrease)/increase in cash and cash equivalents	**(7.6)**	(10.3)	3.7
Net funds at the beginning of the period	**27.8**	24.1	24.1
Net funds at the end of the period	**20.2**	13.8	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 half-year 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

	26 weeks to 1 August 2015 (unaudited) £m	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Revenue			
Retail:			
Stores	**102.6**	103.0	220.6
e-Commerce & Mail Order	**23.5**	22.5	48.5
Hotel	**1.2**	0.8	1.9
Total Retail	**127.3**	126.3	271.0
Non-Retail	**12.4**	17.7	32.6
Total Revenue	**139.7**	144.0	303.6
Retail			
Contribution:			
Stores	**7.7**	7.0	19.6
e-Commerce & Mail Order	**5.4**	4.6	9.6
Hotel	**(0.1)**	(0.2)	(0.4)
Total contribution	**13.0**	11.4	28.8
Indirect overhead costs	**(10.1)**	(10.2)	(18.4)
Finance costs	**-**	-	(0.4)
Exceptional costs	**0.1**	-	0.6
Profit before taxation	**3.0**	1.2	10.6
Non-Retail			
Contribution	**5.1**	6.6	13.4
Share of associate profit	**0.3**	0.7	(0.5)
Profit before taxation	**5.4**	7.3	12.9
Total Retail and Non-Retail			
Contribution	**18.1**	18.0	42.2
Indirect overhead costs	**(10.1)**	(10.2)	(18.4)
Share of associated profit	**0.3**	0.7	(0.5)
Finance costs	**-**	-	(0.4)
Exceptional costs	**0.1**	-	0.6
Profit before taxation	**8.4**	8.5	23.5

2 Segmental analysis (continued)

	26 weeks to 1 August 2015 (unaudited) £m	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Non-Current Assets			
Destination			
UK, Ireland & France	**30.7**	26.1	26.8
Rest of the World	**4.2**	5.0	3.7
Total Non-Current Assets	**34.9**	31.1	30.5
Revenue			
Destination			
UK, Ireland & France	**127.3**	126.3	273.9
Continental Europe	**1.6**	2.8	3.7
Rest of World	**10.8**	14.9	26.0
Total Revenue	**139.7**	144.0	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 is 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).

	26 weeks to 1 August 2015 (unaudited)	26 weeks to 26 July 2014 (unaudited)	52 weeks to 31 January 2015 (audited)
Profit for the financial period (£m)	**6.7**	6.3	18.3
Weighted average number of ordinary shares – basic and diluted ('000)	**727,763**	727,763	727,763
Earnings per share	**0.93p**	0.87p	2.51 p

5 Reconciliation of profit from operations to net cash inflow/(outflow) from operating activities

	26 weeks to 1 August 2015 (unaudited) £m	26 weeks to 26 July 2014 (unaudited) £m	52 weeks to 31 January 2015 (audited) £m
Profit from operations	**8.0**	7.8	23.8
Exceptional items	**0.1**	-	0.6
Amortisation charge	**0.3**	0.3	0.6
Depreciation charge	**1.4**	1.5	2.9
Loss on sale of property, plant and equipment	-	-	(0.5)
Exchange movement on property, plant and equipment	-	-	0.1
Decrease in inventories	**2.9**	1.8	1.3
Decrease in receivables	**2.7**	8.6	2.1
Decrease in payables	**(6.7)**	(20.9)	(5.9)
Movement in provisions	**(1.0)**	(0.1)	(1.2)
Net cash inflow/(outflow) from operating activities	**7.7**	(1.0)	23.8

6 Related party transactions

The related party transactions that have occurred in the 26 weeks ended 1 August 2015 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

The assets and liabilities of the defined benefit pension scheme are considered on an annual basis at the end of each financial year.