

Carpetright PLC – Interim Management Statement

Date: 29th January 2013

Carpetright plc, Europe's leading specialist carpet and floor coverings retailer, today announces a trading update for its third quarter, being the 13 weeks ended 26 January 2013.

Highlights

The Group result for the financial year to date is in line with management's expectations.

UK:

- Like-for-like sales (note 2) in the UK increased by 3.2%. Total sales in the UK increased by 1.6%.
- Store base decreased by four during the period to 476, of which 122 have now been modernised.

Rest of Europe

- In local currency terms, like-for-like sales in the Rest of Europe (Netherlands, Belgium and the Republic of Ireland) decreased by 11.5%. Total sales declined by 11.2%.
- Solid performance in Belgium and the Republic of Ireland offset by continued weakness in the Netherlands.

Darren Shapland, Chief Executive, said:

"We are pleased to report a period of good like-for-like sales growth in the UK of 3.2%. Excluding the expected contraction in sales from the wholesale business, our core UK retail business (note 3) would have reported like-for-like sales growth of 4.7% for the period. We believe this performance reflects the success of our programme of self-help initiatives, including the development of our bed business, introduction of our laminate range to more stores and the ongoing programme of store refurbishments, all of which gained momentum in the period.

"Gross margin for the period has been in line with our previously announced expectations and our guidance of a full year gross profit percentage improvement in the range of 200-250 basis points above the prior year, remains unchanged. (note 4)

"Our business in the Rest of Europe contrasts a solid performance in both Belgium and the Republic of Ireland, offset by the continued weak performance of our business in the Netherlands. Our focus in the Netherlands is on protecting profit in what remains a very weak consumer environment.

"The Group result for the year to date is in line with management's expectations and whilst trading conditions remain challenging, we have good momentum in our self-help initiatives. That said, as ever, our performance in the final quarter will be critical to the outcome for the year as a whole."

The Group will issue a pre-close update on Tuesday, 23 April 2013 and will report its preliminary results for the financial year ending 27 April 2013 on Tuesday, 25 June 2013.

Notes

1. All sales figures are quoted after deducting VAT.
2. Like-for-like sales calculated as this year's net sales compared to last year's net sales for all stores that are at least 12 months old at the beginning of our financial year. Stores closed during the year are excluded from both years. No account is taken of changes to store size or introduction of third party concessions. Sales from insurance and house building contracts are supplied through the stores and included in their figures.
3. Retail stores like-for-like sales are like-for-like sales excluding sales from insurance and house building contracts. The latter being grouped together and classified as 'wholesale' sales.
4. H1 2011/12 58.0%, 4.3%pts down on H1 2010/11 62.3%; H2 2011/12 60.0%, 2.1%pts down on H2 2010/11 62.1%. FY 2011/12 58.9%, 3.3%pts down on FY 2010/11 62.2%. H1 2012/13 61.7%, 3.7%pts up on H1 2011/12.

Appendix 1: Group Sales

	13 weeks to 26 January 2013	39 weeks to 26 January 2013	26 weeks to 27 October 2012 (previously reported)
UK			
Total	1.6%	(0.5%)	(1.6%)
Like-for-like	3.2%	1.6%	0.7%
Like-for-like excluding wholesale	4.7%	3.8%	3.0%
Rest of Europe			
Total (in local currency)	(11.2%)	(10.1%)	(9.7%)
Like-for-like (in local currency)	(11.5%)	(10.6%)	(10.1%)
Total (in GBP)	(15.9%)	(17.3%)	(17.7%)
Group Sales	(1.6%)	(3.7%)	(4.7%)

Appendix 2: Store portfolio

Store portfolio	26 January 2013		Half Year 27 October 2012 (previously reported)		Year end 28 April 2012 (previously reported)		21 January 2012 (previously reported)	
	Stores	Sq ft	Stores	Sq ft	Stores	Sq ft	Stores	Sq ft
UK								
Standalone	460	4,117	464	4,165	474	4,241	479	4,273
Concessions	16	29	16	33	16	29	22	44
Total	476	4,146	480	4,198	490	4,270	501	4,317
Europe								
Republic of Ireland	21	154	20	147	20	147	20	147
Netherlands	95	1,105	95	1,105	94	1,095	93	1,088
Belgium	26	307	26	307	28	329	28	329
Total	142	1,566	141	1,559	142	1,570	141	1,564
Total Group	618	5,712	621	5,757	632	5,840	642	5,881