

Carpetrigh plc

Trading Update

Carpetrigh plc, Europe's leading specialist carpet and floor coverings retailer, today announces an update on trading for the 12 weeks ended 23 April 2016.

Highlights

- **The Group's full year profit expectations are unchanged.** ^(note 4)
- **UK**
 - **Like-for-like sales up 0.7% in the twelve week period and up 2.9% for the financial year to date.** (notes 1, 2, 3)
 - **Full year guidance of a decline in gross margin revised to between 80 and 100 basis points, from 100 - 150 basis points previously.**
 - **Two stores closed during the period, making a total of 35 store closures and nine openings during the year, leaving 434 trading locations.**
- **Rest of Europe**
 - **In local currency terms, like-for-like sales in the Rest of Europe (Netherlands, Belgium and the Republic of Ireland) increased by 1.9% for the twelve week period, up 4.6% for the financial year to date.**
 - **One store opened and two closed during the period, making a total of eight store openings and eight closures during the year, leaving 137 trading locations.**

Wilf Walsh, Chief Executive, said:

"The UK business continued to make progress in the final quarter, against strong comparatives in the prior year and in a market which was increasingly competitive. Against this background, we have delivered two year compound like-for-like sales growth in excess of 10% and, having rebalanced our promotional activity, are pleased to report revised gross margin guidance for the full year of a decline of around 80-100 basis points, an improvement on the previous range.

Our plan to revitalise the Carpetright brand remains on track. Results from the trial of our new retail concept have been encouraging with the trial stores outperforming comparable stores in the estate. We have now completed our analysis of the customer data from the trial, enabling us to finalise the features of a new store format and brand identity which we will shortly begin to roll-out across our UK business in a phased refurbishment programme. In tandem, we continue to make progress with our efforts to reduce store occupancy costs, with a number of further property deals in the pipeline. We look forward to providing shareholders with a comprehensive update on our strategic plan at the time of our results announcement at the end of June.

Trading in the Rest of Europe continues in line with our expectations."

The Group will report its preliminary results for the financial year ending 30 April 2016 on Tuesday, 28 June 2016.

For further enquiries please contact:

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Further information on Carpetright plc, including an alert service for latest company news, can be found at <http://www.carpetright.plc.uk/>

A copy of this trading statement will be available on our website from 7.00am today.

Notes

1. Sales represents amounts payable by customers for goods and services before deducting VAT and other charges.
2. Like-for-like sales calculated as this year's sales compared to last year's 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.
3. For the UK and Republic of Ireland the current financial year (2016) is a 52 week year, ending 30 April 2016. The previous financial year (2015) was a 53 week year, ended 2 May 2015. In order to provide meaningful year on year trading information, current year financial trading period in this announcement relates to weeks 1 to 25 of 2016, compared to weeks 2 to 26 of 2015.
4. Consensus for the year ending 30 April 2016 is for Group underlying profit before tax to be £17.3m.
5. There have been no significant changes to the Group's financial position during the period.

Notes to Editors

Carpetright plc is Europe's leading specialist floor coverings and beds retailer. Since the first store was opened in 1988 the business has developed both organically and through acquisition within the UK and other European countries. The Group is organised into two geographical regions, the UK and the Rest of Europe (comprising The Netherlands, Belgium and the Republic of Ireland).

Appendix 1: Group Sales

	Current Financial Year			Previous Financial Year	
	12 weeks to 23 April 2016	25 weeks to 23 April 2016	51 weeks to 23 April 2016	12 weeks to 18 April 2015	Pro forma 52 weeks to 25 April 2015
UK					
- Total	(2.9%)	(1.6%)	0.3%	9.0%	5.4%
- Like-for-like	0.7%	2.0%	2.9%	10.5%	7.3%
Rest of Europe					
- Total (in local currency)	2.6%	2.4%	2.8%	(0.7%)	Level
- Like-for-like (in local currency)	1.9%	2.4%	4.6%	2.4%	0.3%
- Total (in GBP)	10.7%	3.2%	(1.9%)	(12.6%)	(7.4%)
Group Sales (in GBP)	(0.9%)	(0.9%)	level	5.4%	3.3%

Appendix 2: Store portfolio

Store portfolio	Current Financial Year				Previous Financial Year			
	23 April 2016		23 January 2016		18 April 2015		Year end 2 May 2015	
	Stores	Sq ft '000	Stores	Sq ft '000	Stores	Sq ft '000	Stores	Sq ft '000
UK								
Standalone	419	3,732	421	3,755	447	3,952	448	3,963
Concessions	15	29	15	29	12	20	12	16
Total	434	3,761	436	3,784	459	3,972	460	3,979
Europe								
Republic of Ireland	21	157	22	162	22	162	22	162
Netherlands	93	1,037	93	1,044	93	1,052	95	1,046
Belgium	23	252	23	258	22	257	22	257
Total	137	1,446	138	1,464	137	1,472	137	1,465
Total Group	571	5,207	574	5,248	596	5,444	597	5,444