

**28th January 2010**

**Findel plc**

**Interim Management Statement and Trading Update**

The Board of Findel plc, one of the UK's leading Home Shopping and Educational Supplies businesses, today releases its Interim Management Statement for the 39 week period ended 1 January 2010 ("the Period").

Sales for the Period from continuing businesses, including the Webb Group, were 3% ahead of the same period last year. Like-for-like sales for the Period were 3% below the same period last year.

*Home Shopping*

Sales for the Period from continuing businesses in the Home Shopping division, including the Webb Group, were 10% ahead of the same period last year. Like-for-like sales for the division were in line with the same period last year.

In our credit business, product sales were 2% ahead, with continued strong demand for our expanded clothing offer throughout the peak season. Financial Services revenues were 10% behind the prior year reflecting the continued operation of tighter credit requirements. This is a result of our focus on tightening customer recruitment criteria in the short-term and will generate substantial savings in bad debt levels as we move forward.

In Kleeneze, our network marketing business, sales were marginally below the same period last year.

Within our cash with order brands, sales in Kitbag remained strong at over 35% ahead of last year but trading conditions in Confetti and I Want One Of Those.com remain challenging. The overall increase in sales for these three brands was 16% compared to the same period last year.

*Education Supplies*

Sales in our Education Supplies division were 12% below the same period last year. Whilst a proportion of this shortfall was accounted for by reductions in export and project sales, which are irregular in timing, sector conditions remain challenging. Post period end this was exacerbated in the short-term by the extreme weather in the first two weeks of 2010, when over 8,000 schools were closed across the UK.

Against this backdrop we continue to streamline the operations of this division. The actions we have taken already have achieved over half of the £6m

annualised savings targeted over the two-year implementation period. We have also put in place several key sales initiatives which we believe will return the division to like-for-like revenue growth by the second half of the next financial year.

### *Healthcare*

In our Healthcare division, sales for the Period were 1% ahead of the prior year reflecting the robust performance of this business.

### *Outlook*

The group's primary objective is to generate cash and we remain on track to achieve our debt reduction target for the year ending 2 April 2010.

In parallel, our programme of cost reduction and planned efficiencies across all group companies has to date achieved £15m of annualised savings with a further £10m already having been identified and being progressed. These savings will be the cornerstone of the group's ability to generate improved results in the future.

In addition, the Board remains committed to restoring sales growth to its core operations. The success of the credit division's expansion into the UK mail order clothing market, and the initiatives launched in the Education Supplies division, give the Board encouragement in this regard.

Ends

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