

PR 01/11
7.00am, Thursday, 13 January 2011

DIXONS RETAIL PLC
Solid trading in tough markets
Renewal & Transformation plan continues to improve the business

Dixons Retail plc, Europe's leading specialist electrical retailing and services Group, is today updating the market on trading for the 12 weeks ended 8 January 2011.

- Total Group sales down 1% in local currency and like for like sales down 2%.
- Solid trade through peak driven by a strong post Christmas sale period across the Group.
- Nordic grew strongly with like for like sales up 11%.
- UK operations performed well, despite adverse weather pre-Christmas which reduced sales by an estimated 2%.
- Italian operations performed better than expected, offset by weaker environments in Greece and Spain.
- e-commerce division sales were down 7% principally as a result of the continued transfer of sales of higher value products to multichannel, which grew by 8%.
- Gross margins across the Group were down 0.2% year on year.
- Full year underlying profit before tax is now expected to be around the bottom end of current consensus forecasts and in the range of £100million to £110million.
- Renewal & Transformation plan continues to improve the business for customers:-
 - New format stores continue to deliver good gross profit uplifts of 20%;
 - Cost savings and process improvements have enabled the Group to improve competitive price proposition through Peak.

12 Weeks ended 8 January 2011			
Sales	Total growth (Sterling)	Total growth (Local Currency)	Like for like growth
UK & Ireland	(5)%	(5)%	(4)%
Nordics	+11%	+11%	+11%
Other International	(7)%	(4)%	(5)%
e-commerce	(11)%	(7)%	(7)%
Total Group	(2)%	(1)%	(2)%

John Browett, Group Chief Executive, commented:

"Peak trading has been solid in a tough market. The adverse weather conditions reduced footfall in the run up to Christmas day. We saw strong trade in the post Christmas Sale as customers were keen to take advantage of our great deals on 3D TVs, Apple products, tablets and white goods ahead of the rise in VAT in the UK. Our Nordic business delivered another very strong performance gaining market share while driving profits. The consumer environments remain challenging in Greece and Spain, while our business in Italy continues to improve. We continue to be pleased with the performance of the reformatted stores which trade ahead of the market.

We remain cautious about the economic outlook across our markets, but we will continue to deliver on our Renewal and Transformation plan as we make the business better, easier and cheaper to run and deliver an unbeatable combination of Value, Choice and Service for customers."

— Ends —

For further information

David Lloyd-Seed,	Group Communications Director, Dixons Retail	01727 205065
Mark Webb,	Head of Media Relations, Dixons Retail	01727 205019
Laura Cummings		
Nick Cosgrove	Brunswick	0020 7404 5959

Information on Dixons Retail plc is available at <http://www.dixonsretail.com>

NOTES:

- 1) Like for like sales are calculated based on stores that have been open for a full financial year both at the beginning and end of the financial period and are calculated using constant exchange rates. Customer support agreement sales are excluded from all UK like for like calculations. Operations that are subject to closure have sales excluded as of the announcement date. Stores subject to a refurbishment are excluded during the period of refurbishment.
- 2) UK & Ireland comprises Currys, CurrysDigital, Dixons Travel in the UK & Ireland, PC World, operations in Ireland, DSGI Business and TechGuys. Like for like sales exclude DSGI Business and TechGuys.
- 3) Nordics comprises the Elkjøp group and Dixons Travel Denmark.
- 4) Other International comprises Greece (Kotsovolos), Italy (UniEuro, PC City Italy store in store and Dixons Travel Italy), Spain (PC City Spain), the Czech Republic (ElectroWorld), Slovakia (ElectroWorld) and Turkey (ElectroWorld).
- 5) e-commerce division comprises Dixons.co.uk and PIXmania.
- 6) Movements in the financial position, including levels of borrowings, of the Group since the last balance sheet date are reflective of the trading performance and statements outlined above. Other than this, there have been no significant changes in the financial position of the Group.
- 7) Certain statements made in this announcement are forward looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in these forward looking statements. Unless otherwise required by applicable law, regulations or accounting standards, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise.