

DEBENHAMS

www.debenhams.com

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DEBENHAMS PLC – INTERIM MANAGEMENT STATEMENT

Debenhams plc, the leading department stores group, today releases its interim management statement for the 12 weeks ended 23 May 2009.

Gross transaction value for the 12 weeks to 23 May 2009 was 3.0% higher than the same period last year. Like-for-like sales were down by 0.8% for the 12 week period (excluding VAT).

Debenhams has continued to gain total fashion market share* as customers find favour with our ongoing strategy of increasing the quality and value of our products (*source: TNS Worldpanel Fashion 26 weeks market share data to 26 April 2009 vs. 2008).

Our focus in running the business has continued to be on the levers that drive cash margin. The improvements we have made over the past 18 months to the design, quality and value of own bought product ranges – particularly Designers at Debenhams – have led to continued good performance in these areas, resulting in a 90 basis points gross margin gain for the 12 weeks compared with the same period last year. This, alongside the ongoing disciplined management of costs, stocks and the balance sheet, has contributed to both profit before tax and EBITDA for the 12 weeks to 23 May 2009 being ahead of the prior year. At this time the Board remains confident in the trading strategy and the outturn for the full year.

A new department store in Bury St Edmunds was opened during the period, taking the new store total for the year to date to five which have together created 800 new jobs.

The scheduled triennial valuation of the two Debenhams pension schemes has recently been completed. The result of this valuation is that the rate of employer contributions payable under the agreed schedule of contributions will remain at the same level as agreed for the last three years until the effective date of the next valuation, 31 March 2011.

Rob Templeman, Chief Executive of Debenhams, said:

“Our priorities for running Debenhams are unchanged with a strong focus on the levers that deliver cash margin. Despite facing strong comparatives achieved in May last year and the ongoing difficult retail environment, we have made further progress in the 12 week period in terms of total sales and profits.

“We are particularly pleased with the continued good performance of our own bought ranges, especially Designers at Debenhams, which has been driven by ongoing improvements to the design, quality and value of our own ranges. We are looking forward to the introduction of a number of exciting new own bought and Designer ranges throughout the store at the end of the summer including Matthew Williamson’s exclusive new womenswear collection.

“Although the outlook for consumer confidence for the remainder of the financial year is uncertain, given the performance of the business so far this year, at this time the Board remains confident in the trading strategy and the outturn for the full year.”

A conference call for analysts and investors will be held at 8:30am today. The dial-in number is +44 (0) 20 8609 0581. A replay of the call will be available for 7 days on +44 (0) 20 8609 0289, PIN 264568#.

Enquiries

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Notes to Editors

Debenhams is a leading department stores group with a strong presence in key product categories including Womenswear, Menswear, Childrenswear, Home and Health and Beauty. Debenhams is the second largest department store chain in the UK.

Debenhams has a total of 144 department stores in the UK and the Republic of Ireland and 10 Desire by Debenhams stores, which is a small store concept featuring a mix of womenswear, accessories, lingerie, cosmetics and childrenswear. Debenhams has 50 international franchise stores in 17 countries and an online store, www.debenhams.com, through which much of the Debenhams range is available.

Designers at Debenhams include Ted Baker, Jasper Conran, Erickson Beamon, Pip Hackett, Betty Jackson, Ben de Lisi, Julien Macdonald, Melissa Odabash, Jane Packer, Pearce Fionda, Janet Reger, John Rocha and Matthew Williamson.