



28 June 2011

**DFS FURNITURE HOLDINGS plc**  
**Results for the nine months ended 30 April 2011**

**Financial highlights:**

- Sales and profit performance remains on track:
  - Adjusted EBITDA\* up 3.1% to £56.2m (2010: £54.5m)
  - Sales excluding VAT £486.0m (2010: £489.4m): sales including VAT up 1.3%
  - Margin improvement driven by increased marketing efficiencies
- Strong cash generation continues: cash balances increased from £7.0m to £49.1m since start of year, after £5.0m bond buyback
- £6.9m store sale and leaseback concluded

\* excluding non-recurring items

**Operational highlights:**

- New store pipeline building strongly in addition to Dundee opening:
  - Eight further leaseholds secured in year to date, to open in 2011/12

DFS Chief Executive Officer Ian Filby said:

“We are pleased to report that our financial performance remains firmly on track, despite the challenging trading environment. In the 39 weeks ended 30 April 2011, sales excluding VAT were £486.0m (2010: £489.4m), a reduction of 0.7%. This modest decline in sales reflects a softening of overall consumer spending during early 2011, however despite this sales including VAT remain ahead of the 39 week period last year by 1.3%. A reduction in costs, driven principally by improved marketing efficiencies, delivered a 3.1% uplift in adjusted EBITDA to £56.2m (2010: £54.5m), ahead of our budget. The business remained strongly cash generative, with our cash balances increasing to £49.1m, compared with £7.0m at the beginning of our financial year, after a £5.0m bond buyback during the third quarter. We have also concluded a £6.9m sale and leaseback of our freehold store in Inverness with cash proceeds receivable later in 2011.

“So far this year we have opened one new store in Dundee and secured eight further leasehold stores. These stores supplemented by any further acquisitions will open in

the next financial year and represent the first phase of our plan to bring DFS within reach of all significant customer bases within the UK. This measured store rollout programme is expected to deliver our target of approximately 20 additional stores by July 2013.

“Although trading conditions remain exceptionally demanding for all UK retailers, we were fully prepared for that outcome in our plans for the year, and our good performance to date reflects our tight focus on the areas within management’s control. We have successfully managed our margin and costs, and maximised cash generation, while building a strong platform for our new store rollout programme. We have also continued to build on our well-established brand leadership and driven our market share by continuing to offer an outstanding proposition and excellent service to our customers, and by further developing our growing online proposition. These priorities will remain the focus in the final quarter of the year.”

#### **Enquiries:**

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#### **About DFS Furniture Holdings**

DFS is the leading retailer of upholstered furniture in the United Kingdom. We design, manufacture, sell and deliver to our customers an extensive range of upholstered furniture products. The business operates a national retail network of 75 upholstered furniture stores and five dining stores, which have been established and developed gradually over 40 years of operating history. We attract customers to our stores through our substantial and continued investment in nationwide marketing activities and our reputation for high quality products and service, breadth of product ranges and price points and favourable consumer financing options.