
Trading update

ORIGINAL FACTORY SHOP BREATHES NEW LIFE INTO OUR HIGH STREETS

400 UK locations meet five-year growth plan

A 40-year old business that started life selling surplus Marks and Spencer stock is becoming the new retailing success story of Britain's high streets.

The Original Factory Shop, headed by former Debenhams boss Angela Spindler, has reported a year-on-year like for like sales increase of 9% for the 13 weeks to 30th August, seen as an exceptional performance in current retail trading conditions.

Turnover is up to 35%, with profits weighing in at up 36%, largely driven by an aggressive new stores opening programme, excellent summer trading, and the performance of its 32 seaside and tourist town stores.

Committed to a small town strategy, many of the latest locations were former Woolworths stores acquired after its demise. Despite a hugely diverse portfolio, its small town stores have been a perfect fit for The Original Factory Shop's own business model.

During the current financial year (April 09 - March 10), the

company will open 30 new stores focusing largely on small market towns and domestic tourist destinations. It currently operates 120 stores.

A new site at Barmouth in North Wales has been an outstanding success for the company, with the store more than doubling its opening day budgets. This has been singled out as one of the most successful for the company in history.

The Original Factory Shop says it brings vibrancy and extra footfall whenever it opens, benefiting other local retailers. It plays a unique role within a small town, providing communities with the opportunity to shop locally whilst also bringing local and accessible jobs to a town.

It claims its business model works in every part of the UK and says it has identified over 400 shopping locations that meet its criteria to enable an aggressive expansion plan over the next five years.

Angela Spindler says: "No other UK retailer fits this model. We are local, competition is limited and we are almost always the major non-food retailer in the immediate locality."

The stores act both as a shopping destination and local convenience outlet. A large percentage of customers visit their local store at least once a week.

The Original Factory Shop's sales strategy is a mix of well-known brands at heavily discounted prices, together with an extensive range of 'cut label' and own-brand products.

Shoppers can expect to see household name brands such as

Adidas, Ben Sherman, Morphy Richards, Silentnight, L'Oreal, Elizabeth Arden and Roc - all at stunning prices.

Stores offer a wide range of men's, ladies' and children's fashions, as well as homewares, electricals and toiletries, including a large selection of branded goods - a value product mix that is proving popular in the current retail climate.

The company is bringing people back to local shopping, revitalising the small town centre in an era when many other big businesses are moving to out-of-town shopping centres, and it has a strong community-based philosophy seen as central to The Original Factory Shop's success to date.

"Our aim is to be an integral and valuable member of the community, an active member of it, supporting local people in as many ways as we can", says Angela Spindler.

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For more information, visit www.theoriginalfactoryshop.co.uk or contact Nancy Jones or Max Wild at Biss Lancaster PR on 0161-236 2277. Email: nancy.jones@bisslancaster.com

Notes to editors

The Original Factory Shop was established in 1969 as part of Peter Black's selling M&S seconds.

In December 2007, Duke Street backed the £69m secondary management buy-out of the company. David Williams a Duke Street operating partner became chairman; David is a former CEO of Threshers and has held senior Executive roles with Whitbread, PepsiCo and Diageo, he is currently Chairman of SandpiperCI ltd the leading retailer in the Channel Islands.

In January 2009, Angela Spindler joined as CE

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