

## Regulatory Announcement

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**Company** [Ideal Shopping Direct PLC](#)

**TIDM** IDS

**Headline** Trading Update

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 Ideal Shopping Direct PLC  
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**For Immediate Release**

**23 March 2009**

### Ideal Shopping Direct PLC (the 'Company')

#### Trading Update

As stated in the trading update of 10 December 2008, the new management and the Company's auditors have been conducting a full balance sheet review in advance of the announcement of the preliminary results for the 52 weeks ended 28 December 2008. As a result of this review, one-offs and exceptional costs are now expected to be greater than the Board's previous expectations and will total approximately £9.2 million - some £7.5 million more than previously anticipated. The Company's trading loss for the 52 weeks to 28 December 2008 is still expected to be approximately £4 million before taking charges for one offs and exceptional costs and is in line with expectations.

The one off and exceptional items represent mostly non-cash provisions including approximately £2.6 million of stock write downs; £2.2 million of fixed asset write downs related to IT systems and costs associated with an aborted planning permission process; approximately £1.5 million of goodwill write off in respect of our investment in Ideal Sourcing Limited and approximately £1.0 million of other increases in general provisions

which include sales returns £0.2 million and doubtful debts £0.7 million. Exceptional costs with a cash impact are expected to be £1.9 million representing restructuring charges, the anticipated loss of Kaupthing deposits and external legal and professional expenses. £1.0 million of the exceptional costs were reflected in the cash position at 28<sup>th</sup> December 2008. The balance of the cash cost is expected to be incurred by the end of June 2009.

Sales in the first few months of 2009 have been slightly ahead of management expectations. As stated in the pre close trading update on 13 January 2009, the Company's cash balance at 28 December 2008 was £8.4 million.

Currently, further restructuring costs of £0.3 million are expected in 2009.

It should be noted that all of the above figures are provisional and subject to final audit approval and sign-off.

Commenting on trading Mike Hancox said:

*"I am pleased to report that whilst there has been an increase in exceptional and one-off charges in 2008 as a result of the balance sheet review, sales and cash generated from operating activities for the current financial year are slightly ahead of plan. The Company is trading satisfactorily given the challenging retail environment."*

The Company's preliminary results will be announced on 16 April 2009.

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