

3 August 2006

Land of Leather Holdings plc

Pre Close Trading Update

Land of Leather, the UK's only specialist national leather sofa retailer, announces its pre close trading update for the four months ended 30 July 2006 following the previously announced change of year end from March to July.

The Board is pleased to announce that it is trading to the Board's expectations for the period and that its store development programme is ahead of plan with ten store openings during the four month period.

Trading period – 17 weeks to 30th July 2006

- Total sales order intake up 25.6% (last year - 38.0%)
- Like for like sales orders up 5.7% (last year - 7.9 %)
- Easter adjusted* like for like sales orders up 2.2%

* - figures adjusted for the effect of the Easter sales not falling in the 2005 comparative period

We are pleased with the Easter adjusted like for like sales growth of 2.2% for the period in view of the more challenging trading conditions. In addition, trading was against strong comparatives, particularly in our four Republic of Ireland stores following a very successful opening launch in April/May 2005.

The new store development programme is ahead of plan. The Company currently operates 81 stores and opened ten new stores in the 17 weeks ended 30 July 2006. This acceleration of the store opening programme is due to the recent availability of suitable units on targeted business parks. In addition, we closed five stores in late June and early July for refurbishment and the fitting of a new mezzanine floor. These five stores will re-open at the end of August 2006 together with four new stores; Harlow, Stevenage, Telford (concession within Carpetright) and Bromley (concession within Carpetright).

Commenting on the trading statement Paul Briant, Chief Executive, said: "We are pleased to be trading to plan and to have successfully opened ten new stores in such a short period. Our continuing success is based on our position as the UK's only national retailer that specialises solely in retailing leather sofas combined with the appeal of our strong value led offer."

The Company will report its preliminary results for the 17 weeks ended 30th July 2006 on Tuesday 26th September 2006.

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