

3 May 2007

Land of Leather Holdings plc

Trading Update

Land of Leather, the UK's leading, specialist, national leather sofa retailer announces its trading update for the 13 weeks ended Sunday 29th April 2007 which includes the Easter Sale period.

Trading period – 13 weeks to 29th April 2007

- Total sales order intake up 21.8%
- Like for like sales orders down 0.9% (Prior year comparative up 2.0%)

39 weeks ended 29th April 2007

- Total sales order intake up 21.9%
- Like for like sales orders down 0.8% (Prior year comparative up 4.3%)

Total sales order intake was strong in the quarter following the opening of 13 new stores in the first half of the year, and the small decline in the like for like sales order growth of 0.9% was encouraging in the current retail climate. The third quarter sales benefited from the first national direct mail campaign in March and a particularly strong Easter weekend.

We opened one new store in the quarter in Birmingham and closed our Bromley store (a concession within Carpetright) which leaves the total store number unchanged at 94 stores as at 29th April 2007. As previously announced we will open one new store before the end of this financial year in Oxford.

We expect to open a further five new stores in August 2007 which leaves us confident of achieving 10 new stores in the next financial year. This is in line with our targeted number of new store openings each year and we therefore remain on track to complete the national roll-out to 140 stores by 2012.

The market has remained challenging since the start of this calendar year and a further interest rate increase may unduly affect sales in the short term if consumers over react before normal spending patterns return. However, as we announced in March with our interim results, we expect profits for the full year to 29 July 2007 to be in line with market expectations

Commenting on the trading update Paul Briant, Chief Executive, said: "The combination of our differentiated business model which provides excellent value for customers and, the store roll-out programme, means we are confident of continuing to deliver strong total sales order growth and increasing our market share."

Enquiries:

Land of Leather
Clive Hatchard
Tel: 01474 543 291

Hudson Sandler
James White
Tel: 020 7796 4133